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Germany's Restoration and the Dawes Plan

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WHEN Fridtjof Nansen announced in Stockholm on Dec. 9, 1926, that the Nobel Peace Prize had been awarded to Charles G. Dawes, Aristide Briand, Sir Austen Chamberlain and Gustav Stresemann, he was sure of universal applause. When he added that the first sign of better times was the acceptance of the Dawes Plan by the London conference late in August, 1924, he simply stated a fact that is being more and more accepted in all its significance all over the world.

The award of the Nobel Prize coincided with the issue by S. Parker Gilbert, the American Agent General for Reparations, of his second yearly report on the business of his most important office. An analysis of the working of the Dawes Plan may fitly be preceded by Mr. Parker's concluding remarks in this most notable document:

In the field of reparation payments, Germany has in the second year, as in the first, promptly and loyally discharged all her obligations. In the second year, as distinguished from the first, she has met them out of her own resources, in the manner provided by the plan. At the same time,

experience with the transfer problem has been accumulating, and the Transfer Committee has succeeded in making substantially full transfers to the creditor powers of the payments received from Germany. Within its own sphere the plan has created an atmosphere, and indeed a tradition, of loyalty and friendly understanding.

These few sentences give, indeed, the whole story except for this very necessary addition, that, if the Dawes Plan has been so far a success, Mr. Gilbert's very uncommon personality is responsible for a very considerable share of that success. On the one hand he is the attorney of Germany's creditors for the collection and transmission of the war indemnity provided under the Dawes Plan; on the other hand he is the trustee for the stability of the German currency and exchange.

As his title indicates, Mr. Gilbert is the agent of the Reparation Commission, which has its headquarters in Paris and which was constituted for the purpose of executing the provisions of the Versailles Treaty in regard to making Germany pay for the cost of the war to the limit of her

capacity. The Dawes plan itself, however, was not born until Secretary of State Hughes, in a remarkable address at New Haven, offered the services of an "American citizen" to help in disentangling a perilous and impossible situation. The American citizen who came to talk business and common sense to the European visitors is today the Vice President of the United States.

DAWES PLAN SUCCESSFUL

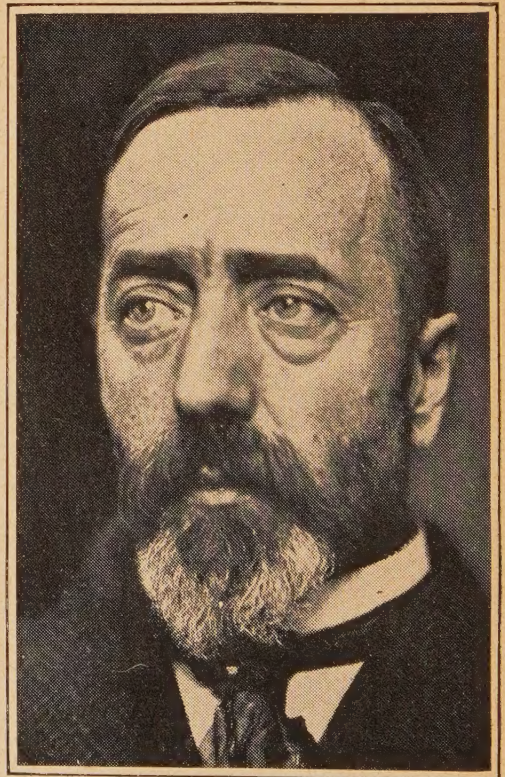
The time at the disposal of General Dawes and his assistants was rather short and their knowledge of matters specifically German limited in various directions, so that the plan could not be entirely without flaws. But in its general ideas it was so broad and conclusive that even with its imperfections it has so far done excellent work and seems to give assurance that it will indeed accomplish its end, namely, to determine Germany's capacity to pay to the extent that can be expected, in decency and due regard for its own citizens—citizens of a civilized and progressive nation willing to fulfill its obligations. The Agent General for Reparations himself is preparing for even a greater task. At the end of his report, speaking of the solution of the whole reparations problem, he says:

Manifestly the time for this has not yet come. The experience thus far available is still too limited and it must grow and ripen. * * * But in the meantime the plan will go forward with the test of practical experience. This, I trust, will give earnest that, at the proper time and in the same spirit of good-will and mutual interest that lies at the basis of the plan itself, it will be possible to work out a more general and final settlement that will do justice to the interests of all concerned and at the same time permit Europe to move further forward on the path of peaceful reconstruction which it has now definitely entered.

By the terms of its commission the Dawes committee was prevented from fixing either a time limit for Germany's payments or a total amount. These most important questions as yet remain open, and it is to them that Mr. Gilbert alludes when he expresses the hope of arriving at a final settlement in due time. But it stands to reason that Germany's creditors will continue to coordinate the receipts from Ger-

many with the amounts due to the United States Treasury. This, in effect, means that the final decision in the matter will rest with the United States Government. When M. Clémenceau indiscreetly published in the Paris newspapers of Aug. 8, 1926, his appeal to President Coolidge not to consider the French war debt as a purely business proposition, Senator Borah made it quite clear that America would not surrender its position, so that it is perhaps just as well that in regard to the questions of time limit and total amount, the Dawes Plan is not altogether ironbound.

It will be remembered that two Americans, Messrs. Moulton and Macguire of the Carnegie Institute of Economics, attempted some years ago to examine scientifically Germany's capacity to pay—not only to pay at home but also abroad. The Versailles Treaty stipulated that Germany should pay in gold marks, that is, in bullion or coin, or in foreign exchange. This broke the back of the German currency.



DR. BERNHARD DERNBURG

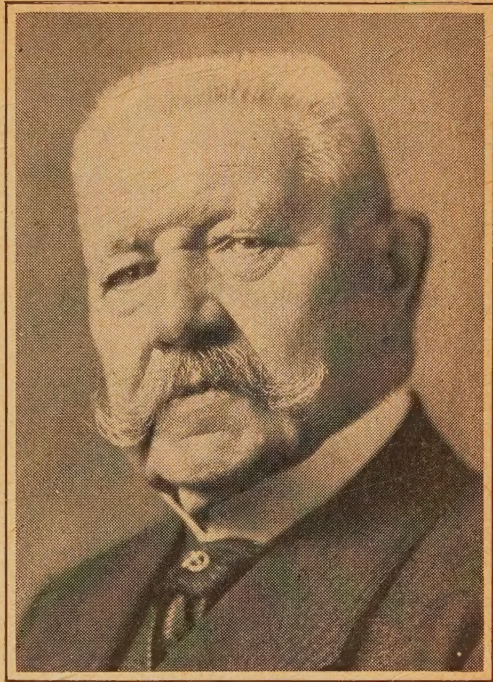
Considering the many experts assembled in Paris at the time, one wonders today that the grotesqueness of such a demand struck nobody except some Americans. Germany had no gold or very little, for she herself produces none, and foreign credits can come only either from foreign holdings and investments or from a surplus of exports over imports. The investments had all been confiscated under the provisions of the treaty and after nearly five years of privation, with a ruined currency and antiquated machinery, the balance of trade must needs run against Germany until these deficits could be remedied.

The most important feature of the experts' plan was therefore the stipulation that Germany's responsibility for reparation payments ceased at her frontier; in other words, whatever Germany was held liable to pay was validly discharged by payment in German coin. The function of transferring that money to Germany's creditors was left to the organization set up on behalf of the Reparation Commission, namely, that of the Agent General of Reparations in his capacity as President of the Transfer Committee. The German coin acceptable to the creditors, however, had, of course, to be good and of full weight, subject to no more nor greater fluctuation in the world's markets than the coin of such great powers as have a gold standard, that is, "as good as gold." When the Dawes Plan was put into operation only the United States dollar came fully up to these requirements.

STABILIZED CURRENCY

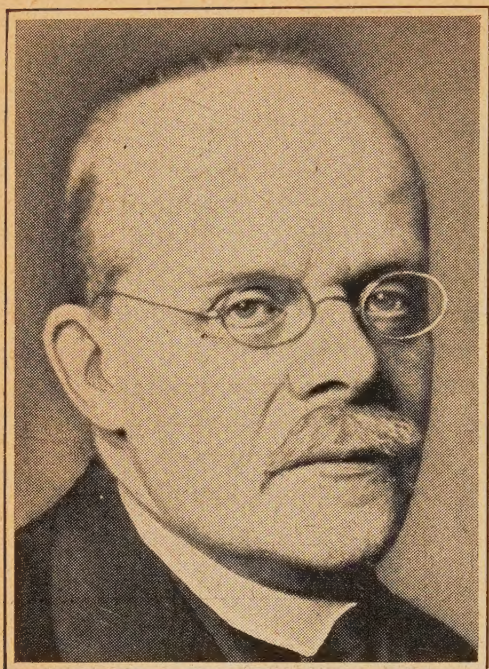
Even before the experts' committee arrived, Germany had fortunately stabilized her currency by means of the rentenmark, which was secured by a first lien on all agricultural and urban real estate. That was the best Germany could do at the time, but the security being of national and immobile character, the money was practically useless in international dealings, for it was without the backing that creates international credit, namely, a substantial stock of gold.

The second outstanding feature of the Dawes Plan was therefore that Germany should receive a loan of \$200,000,000 in



PAUL VON HINDENBURG
President of the German Republic

gold, which was taken up by all the moneyed nations, about one-half being issued in the New York market. The German Government paid this gold into a reformed Reichsbank, which is free from Government control but administered by a mixed board of experts, against notes of the new bank. This gold is the stock of the present currency, a security as good as any gold currency, the gold holdings of the Reichsbank now amounting to more than \$500,000,000. No currency, however, can remain stable unless two conditions prevail and remain perfectly safeguarded. First, the State under whose authority the currency is issued must be solvent and have a well-balanced budget. Good currency and good finances are interdependent. If a Government has to resort to short-term borrowing and to turn to the printing press in order to create fiat money, the credit of its currency is destroyed and it is subjected to variations and bound to decline. A budget based on a currency fluctuating in value, on the other hand, can never be safely balanced



Wide World Photos.

WILHELM MARX
Chancellor of the German Republic

if payments and receipts constantly change in purchasing value. The other essential condition for the maintenance of a stable currency is that the gold backing constituting its international credit should not be impaired. This means that, as a rule, the payments made abroad must not be larger than the amounts receivable from abroad. This is called the balance of payments. If there is a balance of any magnitude against any one country, it must be met either by loans contracted abroad or by shipments of gold to foreign parts, both factors being apt to compromise the notes of the central bank.

The third and fourth principal features of the Dawes Plan are accordingly that the German Reich must maintain a balanced budget and is prevented from borrowing from the Reichsbank beyond a certain small amount to serve as a *fond de mouvement*, and that the Transfer Committee must not try to transmit the reparation payments to Germany's foreign creditors to any extent that impairs the international value of the German currency.

Finally, the report of the experts' committee started from two assumptions of a fundamental nature. The first was that German production and industrial activity would resume full normal volume before the maximum imposition for reparations, and, second, that the standard of living of the German workmen could be retained on a scale not unlike that of Germany's competitors in the world markets and of Germany's neighbors.

The operation of the Dawes Plan began on Sept. 1, 1924. The payments made in the first year ended Aug. 31, 1925, amounted to 1,000,000,000 gold marks; in the second year ended Aug. 31, 1926, they increased to 1,220,000,000 gold marks, and in the third, the current reparation year, they are to rise to 1,500,000,000 gold marks. This is the so-called partial moratorium period, in which the full recuperation of German economy was to take place. For the fourth year, the sum rises to 1,750,000,000, and for the fifth and an indetermined period thereafter to 2,500,000,000 gold marks annually. In case the receipts of the German Government from certain specified taxes exceed given sums in the third and fourth years, the contribution is to be increased by an amount not to exceed 250,000,000 gold marks for each year. Thereafter an index of German prosperity is to be used to fix further increases in the yearly total in excess of 2,500,000,000. The yield of the indirect taxes in the last two years, having already showed that the two additional payments would become due, an arrangement was made with the Transfer Agent for an anticipation of these additional payments concurrent with the composition of the two additional annuities of 250,000,000 gold marks, each in the amount of a single payment of 300,000,000.

PAYMENTS DUE

The sums, therefore, now due are: 1924-25, 1,000,000,000 (paid); 1925-26, 1,220,000,000 (paid); 1926-27, 1,500,000,000 (in course of payment); 1927-28, 1,750,000,000; 1928-29, 2,500,000,000; thereafter, 2,500,000,000, plus increase from prosperity index, as already explained.

The German Government is responsible

for the total annuities. The Dawes Plan, however, provides that the payments should come from and be specifically secured by the following:

First annuity (1,000,000,000 gold marks):

800,000,000 from foreign loan;
200,000,000 from German State railways.

Second annuity (1,220,000,000 gold marks):

250,000,000 from the German budget out of indirect taxation pledged;
250,000,000 from a special transport tax on all freight carried, collected and specifically pledged;
125,000,000 from interest on 5,000,000,000 first mortgage debentures issued on German industries and specifically pledged for reparations;
595,000,000 from part interest on 11,000,000,000 first mortgage bonds on the German railways, specifically pledged.

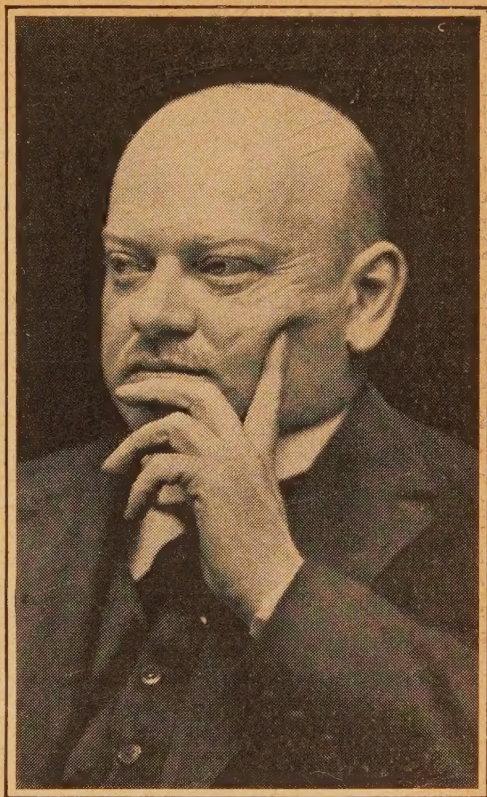
All these payments are controlled by special trustees for the creditors and the respective mortgage bonds have been delivered to them.

For the third year (1,500,000,000) 410,000,000 are to come from the budget, 290,000,000 from the transport tax, 250,000,000 from the interest on the industrial bonds, 550,000,000 from the interest on the railway bonds. In the fourth year (1,750,000,000) the contribution from the budget rises to 500,000,000, the interest on the industrial debentures to 300,000,000 and the interest and amortization of the railway bonds to 660,000,000, the other items remaining unchanged. In the fifth year, finally, the budget is charged with 1,250,000,000, all the other items remaining unchanged. The increase is very considerable.

The whole of the two first annuities has been paid to the creditors under the auspices of the Transfer Agent:

(a) Payments in marks for the armies of occupation, the interallied commissions and for deliveries in kind, namely, German raw materials such as coal, coke and timber, German manufactures, especially dyes, fertilizers and agricultural produce, notably sugar.

(b) Payments in foreign currency, notably



Wide World Photos.

GUSTAV STRESEMANN
German Foreign Minister

bly interest on the external loan of 1924, sums retained by Great Britain and France on all German imports (26 per cent.) and from purchases of foreign exchange in the German market.

The percentages for the two years were: Payments in marks, 66.8 per cent.; payments in foreign currency, 33.2 per cent.

The creditors received in round figures:

	FIRST YEAR	SECOND YEAR
France	397,000,000	566,000,000
Great Britain...	190,000,000	227,000,000
Italy	60,000,000	77,000,000
Belgium	93,000,000	116,000,000
Others	48,000,000	74,000,000

Total for two years: 2,069,000,000, whereof 687,000,000 in foreign exchange and 1,382,000,000 in gold marks.

For the last three months the payments have progressed on an even scale. Such is the story up to date. The securities in the

hands of the various trustees have not been marketed so far, and no authority for such marketing has been given by the Transfer Agent and the Committee, who are sole judges as to whether these securities (11,000,000,000 railway and 5,000,000,000 industrial bonds) can be disposed of to foreign purchasers without danger to the German currency, although as a result of the Stresemann-Briand meeting at Thoiry and in connection with the revaluation of the French franc certain suggestions have been put forward. The matter is certainly not ripe for decision for some considerable time.

WHAT GERMANY HAS PAID

During the past two years Germany has paid altogether 2,069,118,466.12 gold marks, of which 800,000,000 came from the proceeds of the loan and 1,269,118,466.12 from her own income out of the sources detailed above. This is what was required under the Dawes Plan. Different in proportion are the amounts transferred under the direction of Mr. Gilbert. Out of the 2,069,118,466.12 marks there have been paid in marks for deliveries in kind and for services 1,382,170,287.84 in German currency and 686,948,178.28 marks in foreign currency. This transfer in foreign coin was made possible in the first year out of the proceeds of foreign credits. "In the second year the amount transferred (416,000,000) was somewhat more than equaled by the surplus derived from the export of goods and services, amounting to somewhere around 600,000,000 reichsmarks."

The problem is manifestly twofold: First, the collection of the sums provided under the Dawes Plan within Germany; second, their transfer to the creditors, both being as yet for an undefined number of years. The two sides of the problem are connected. The amounts to be paid by Germany rise on a rather steep grade—from 200,000,000 in the first year to 2,500,000,000 in the fifth year, and then not remaining stationary at that figure but increasing according to the prosperity index with no adequate or corresponding decrease in case of a falling off in prosperity.

Germany is self-supporting neither in

raw materials nor in foodstuffs. This means that the increase in revenue necessary for the raising of the additional amounts depends on an increase of activity in business, which in turn depends on an increase in foreign trade. The possibility of transfers in foreign coin depends furthermore on an active balance of payments, or, in other words, on a larger increase of exports over imports. It is for Germany's customers and creditors to say how much in German goods they are ready to take at a fair price. Deliveries in kind compete with the home industries of the recipients and with their own activities. Except for raw materials the larger creditors are placing no orders, while the restoration of the French coal mines, the biggest item under raw materials, is no longer required.

The general tendency in Europe is the same as in the United States, namely, to protect home industries. Tariff walls constantly rise and special duties that are ostensibly applicable to goods from all nations are imposed on goods that are specialties of Germany, as is the effect of the British industries protection law. Business, however, is a question of prices. Both Great Britain and the United States have enacted legislation against imports sold abroad, not only below cost in the country of their production, but also when the cost of labor in the exporting country is manifestly below that in the importing country. These are the so-called "anti-dumping measures."

The grotesque situation is thus created in which payments are demanded from Germany for huge amounts while the only way in which they can be made is being deliberately blocked.

FOREIGN TRADE POSITION

Furthermore, the entire structure of German foreign trade has changed for the worse since 1913. In 1913 German business with Russia amounted to 2,305,000,000 marks, whereas in 1925-26 the figure was only 578,000,000. In the case of Austria the decrease was from about 2,000,000,000 to 1,447,000,000, the latter amount representing very considerably smaller quantities of goods as a consequence of the decrease in the purchasing power of money. The splitting up of Eastern Eu-

rope in a number of dwarf States also makes business more complicated. A number of commercial treaties have been concluded since the stabilization of the mark, but similar agreements have not yet been reached with Germany's largest neighbors, France and Poland. Prospects in this direction are indeed rather gloomy.

During the armistice and the framing of the peace treaty the tendency to weaken Germany found its expression in provisions stripping her of as many as possible of her instrumentalities of commerce by confiscating colonies, ships, businesses, docks, credits and investments abroad. The most conservative estimate of the cash value of the portable items in this list is that of Messrs. Moulton and Macguire, who in their book placed it at 27,000,000,000 marks, the loss of territory and productivity being, of course, not included in this estimate. To replenish this working capital and to restore the nation's industrial machinery to its pre-war condition Germany had to resort to foreign borrowing. The President of the Reichsbank estimated this indebtedness, long and short term, at about 5,000,000,000 marks, with an annual interest charge of some 350,000,000 that must be met before reparations can be paid.

EFFECTS OF WAR

Article 248 of the Versailles treaty gives reparations a first lien on the resources of the Reich and the constituent States, but this is a provision that exists only on paper. The war left Germany with 1,500,000 war victims; inflation wiped out the basis of existence of innumerable old and decrepit people, and workmen's savings melted away. With 2,000,000 unemployed and short time workers, who cannot be allowed to starve for fear of internal disturbances, if not for reasons of humanity, there are further charges that must be met before reparations can be paid. It therefore appears that, unless business greatly improves, taxation cannot be further increased. Neither is it possible to confiscate by taxation whatever savings are being made by industry. The population of Germany continues to increase between 500,000 and 600,000 annually. Employment must be found for this larger number of people.



Wide World Photos.

OTTO GESSLER

German Minister of Defense

They must also be provided with tools and be able to consume working capital, since there are no great outlets for surplus population in foreign countries; on the contrary, the tendency to restrict immigration becomes more pronounced, especially in the United States and Australia and Germany's former enemy States. The fundamental aims of the Dawes Plan—business restoration, an increase of exports over imports and the maintenance of a decent standard of living—seem so far unaccomplished, and at the same time there is no prospect that Germany will have the means of meeting greatly increased reparation payments.

The German attitude toward this situation is to try loyally to live up to the Dawes Plan and to trust in the good faith and common sense of its administrators. To us Germans it has become an irrefutable axiom that the interdependence of all States and their common interests demand a final solution bearable to all. Such is the aim, as I have pointed out, of the American who is Agent General for Reparations.

BERLIN, GERMANY.

Should American History Be Hero-Worship?

Two Views of Whether Patriotism Should Excuse Myths and Errors

I. A Plea for the Unvarnished Truth

By WALTER HART BLUMENTHAL

Revision Editor of the *Universal Encyclopedia*; editor of *Upton's Russo-Japanese War*; member New York Historical Society, Pennsylvania Historical Society, &c.

THE idea that only such information should be imparted to children as will strengthen their faith, patriotism and illusions, and promote popular devotion to these, is entrenched. As the Committee on Studies and Textbooks of the public schools of New York City (consisting of principals and teachers), declared in their report of March 27, 1922:

The textbook must contain no statement in derogation or in disparagement of the achievements of American heroes. It must not question the sincerity of the aims and purposes of the founders of the Republic or of those who have guided its destinies. * * * [In discussing the American Revolution] everything essential is accomplished when it is made plain to the pupils: That the Colonists had just grievances; that they rebelled because they could obtain no redress; that they were inspired by a fierce love of liberty; that they counted neither the cost nor the odds against them; that the dominating spirit of the Revolution is found in the words of Nathan Hale: "I regret that I have but one life to lose for my country."

With such cluttering of the truth it is sought to keep pure and undefiled by disillusion the minds of the young. The unmanipulated facts, it is assumed, might weaken the jingo spirit which feeds the nationalist faith. The idols must not be toppled; the legends must not be annihilated; the flag must not be desecrated; the holy ghost of patriotism must not be besmirched.

Discussion of biased textbooks wherein embattled tradition prevails over fact was revived at the meeting of the Anglo-American Conference of Historians in London in July, 1926. In addressing the members,

Prime Minister Stanley Baldwin said, with reference to the period of the American Revolution:

"I think it is generally recognized, both in America and in this country, how much harm has been done in the relations between the two countries owing to certain representations of that history before the immature minds of school children in America." That this diplomatic indictment is justified has come to be recognized in occasional quarters; but the notion of the British as the villain in the piece still is inculcated with secular persistence, and the first heroes of history are indubitably held to be those who enacted the Boston Tea Party.

True, the Revolutionary period has had several unbiased chroniclers; but the distortions of school histories, if less acute than those of a generation ago, still incite patriotism through prevarication. Is not propaganda among our youngsters rather contemptible? How can the intellectual drugging of future citizens make the children of democracy fitter to exercise the later prerogative of their judgment in self-government? The halo school of history may conduce to exalted fervors, but if we chronicle the past to record rather than to extenuate or to glorify, in the name of historical science why can there not be an end of star-spangled legends and tinsel nimbuses?

The legendary version of the Colonial mêlée of 1776 and after was discarded by S. G. Fisher's work *The True Story of the American Revolution*, which appeared in prehistoric 1903. Moreover, the English viewpoint was set forth in 1911 in two

volumes by the late Henry Belcher, a Briton, in a dispassionate presentation exposing the figments and one-sided statements of popular American historians. Pertinent also is *Myths and Facts of the American Revolution*, written by Arthur Johnston and published in Toronto in 1908. This is a searching commentary on the history of that period as conventionally inculcated, and a cogent marshaling of uncontroverted evidence.

Two of the cardinal sins of old style history was its lack of veracity in the sense of proportion—willful distortion conveying falsity; and disregard of the element of fortuity in human events.

BATTLE OF BUSHY RUN

To illustrate the first: Two decisive battles were fought on the soil of Pennsylvania. Gettysburg stemmed the tide of the Southern invasion in the Civil War. But what was the other? It is buried in American annals as "The Battle of Bushy Run." The scene was the primeval forest to the east of Pittsburgh near Turtle Creek, as it was known then and now. It halted the eastward march of the savages in Pontiac's War. After that battle, though only 500 British troops were engaged against 2,500 savages, the great Pontiac Indian Confederation, reaching from New York and the Great Lakes south almost to the Gulf, was broken and never restored. Philadelphia and all Eastern Pennsylvania were vitally interested in the result of this engagement. Had the savages won a victory, nothing could have halted their march, with massacre and unparalleled cruelty, across Pennsylvania as far east possibly as the borders of Philadelphia. It was the boast of Pontiac and his allied chiefs that they were going to "drive the pale faces into the sea." The blundering Braddock a few years before, with a force four or five times as large as that commanded by Colonel Bouquet at Bushy Run, had been overwhelmed and his little army slaughtered by these same redskins. Had Bouquet suffered Braddock's fate—proof of the savage's power in war—so great would have been the terror inspired among the settlers that Philadelphia would have become a refuge camp. In these respects it was a decisive battle.

To illustrate how potent is fortuity and how little it is emphasized: Are there many readers who know this and that about Lincoln who include in such *trivia* the rather important fact that he was elected by an accident? William E. Barton in his *Life of Lincoln* has the following remarkable and little known account of how chance influenced Lincoln's election:

If printers invariably kept their promises, Abraham Lincoln would not have been President of the United States. If the convention could have got to balloting on Thursday night, William H. Seward would have been nominated. But the Secretary was compelled to announce that the papers necessary for the keeping of the tally were not at hand, but would arrive in a few minutes. The convention was impatient at the delay, and a motion was made by some unknown delegate "that this convention adjourn until 10 o'clock tomorrow morning." The motion to adjourn prevailed. If the unnamed delegate who made the motion to adjourn could be identified, he, perhaps animated by no higher motive than restlessness, or the desire for a drink, would be entitled to mention as one of the otherwise nameless voices that have uttered the messages of destiny.

Horace Greeley came to the convention to defeat Seward:

On the evening before the nomination Ward Hill Lamon obtained from the printers of the seat tickets a large supply of extra tickets. He set certain young men at work signing these tickets with the names of the officers of the convention.

Next day, while the Seward forces were parading, the hall was packed with Lincoln boosters to whom the duplicate tickets had been distributed:

Of course, neither Lincoln nor any of his responsible managers knew of this piece of work, which had the effect of crowding out a large fraction of Seward's fighting strength and giving the space over to the shouters for Lincoln.

Much of the traditional buncombe of American annals belongs in the category of what psychopathologists call borderland mentality: it verges on the fictional. Thus the lament at the passing of the "good old" this or that is largely romantic nonsense. We dote on "our wise and pious ancestors," as the Massachusetts Constitution designates them. "The individuality which has always characterized New Eng-

land is passing," writes the mournful essayist. Alack for "the days when our forefathers guarded their steps with the flintlock and the prayer-book." True, the New Englanders were handy enough with the flintlock, but it is a mere detail that the prayer-book was anathema. They might take to the meeting-house a copy of the Bay Psalm Book or Isaac Watt's hymns, and the limping feet of their pious poets may have cheered their own, freezing on the foot-warmer; but a prayer-book in old New England was as common as a palm tree.

NEW ENGLAND "REPRESSION"

When we read of the proverbial "repression" of those New Englanders we cannot help being amused. The thinkers who took part in Daniel Shays's "Rebellion" had to be repressed. They went about the State shutting up the courts. In their aversion to paying debts they were one with most Americans of the day. So were the repressed citizens of Dedham who voted in town meeting for the abolition of lawyers.

"Community customs have vanished"—the custom, for instance, of a week's carouse and holiday to enable the sturdy yeomanry and Indians not taxed to celebrate feelingly the Harvard commencement. The community custom, recorded by John Adams, was to have about every fifth house in the village a dram shop, where our patriot sires drank flip and toddy with unamended zest. If the New Englanders loved rum, Pennsylvania indulged in a whisky "rebellion," and the Pennsylvania Legislature told Congress that whisky was "the common drink of the nation."

Profiteering in contracts and supplies was common. Many of our patriot forefathers had no objection to the enemy's money. Most of the States stinted their quotas of both men and money. For some years after the war it may almost be said that the majority of Americans were disloyal. They hated the courts and the Governments. They refused to pay their debts. They agitated for more bad money. They hated the Constitution because it set up a "foreign" Government and would make them pay their debts to their fellow-citizens and to Europeans. The Constitution was forced on the country by what we are justi-

fied in calling a pious fraud. The people who chose delegates supposed that the Articles of Confederation were merely to be amended. The Constitution was ratified in great States like Virginia and Massachusetts by the narrowest margin and against the will of the majority of the people.

It is commonly said that only the great name of Washington carried the Constitution through. Yet it would have been defeated if some delegates opposed to it had not stayed away from the State Conventions; if others had not violated their instructions; if every art of persuasion and cajolery had not been used. For some years after 1793 there were practically no Americans in America. There was the French "faction" and the British "faction." Even among the conspicuous public men of the period hardly anybody but John Adams, Hamilton and Marshall was an American, regarding this nation as a unity for its own purposes and not as a tool of a foreign power. In the very year of the Federal Convention, General James Wilkinson, afterward the commander of the American Army, began to take money from Spain. He was a Spanish pensioner for twenty years.

When we deplore the "passing" of the "good old times," we might remember little things like these. When we bewail corruption, we might remember that the Legislature of the virtuous little backwoods State of Georgia passed a bill giving away 35,000,000 acres of land, most of the present States of Alabama and Mississippi, for a cent and a half an acre; and that every man but one who voted for the bill was bribed by shares in the land companies or by cash. When we talk about "autocracy," we might remember that Thomas Jefferson as President sought to depose the Judges of the Supreme Court, and that he almost got Aaron Burr hanged for "treason," in the course of trying to prove which, the Bill of Rights was nonchalantly torn to pieces by the author or compiler of the Declaration of Independence.

Liberty of speech, liberty of the press? Remember the Alien and Sedition laws and the prosecutions under them. Look where

you will, the American people are more literate, more patriotic, more honest and better governed than they were in the days whose "passing" is so much bemoaned and whose glories are so much extolled in our school histories.

Intentional inaccuracies, with the ulterior purpose of molding opinion, is as good a definition of propaganda in portraying the past as any other that comes to mind. It excludes, for instance, such accidental error as in Leutze's famous painting in the Metropolitan Museum, New York, where Washington is pictured crossing the Delaware with the furred Stars and Stripes, though there was no such flag in the American Army at that time.

Willful distortion is another matter. The established falsities that haunt the annals of the early Republic are reiterated despite authentic recensions which have from time to time appeared. It is a thrice-told tale that the Liberty Bell was not rung on July 4, 1776, and was not called the Liberty Bell for the better part of a century later. It was not cracked in proclaiming liberty. It came perilously near the scrap-heap more than once, and in 1828 escaped that fate only because the contractor, who put up a new tower and new bell, refused to pay the \$400 fixed as its value as "junk."

THE FOURTH OF JULY

Indeed, July 2 was the date when the tie with Great Britain was cut by resolution of Congress. On July 4 the final draft of the poster was printed by John Dunlap for public distribution, and on July 8 the first celebration and public reading of the document occurred in front of the State House. The first signatures were on Aug. 2, 1776, and the last signature in 1781, after the lapse of five years. Among those who actually signed the Declaration were some who had voted against it; while among those who had voted for it were some who did not, after all, sign it. Many who signed it did not become members of Congress until after the period of its initial promulgation. What most Americans believe about the Liberty Bell and the unauthentic Fourth of July is myth and nothing else.

Clustered about the classic legend of the cherry-tree and hatchet, imposed on posterity by the Rev. Mr. Weems, are lesser constellations of credulities. At the Sesqui-centennial Exposition at Philadelphia last year there was to be seen a replica of the Betsy Ross shrine, despite the fact that the alleged habitat of the lady of the bunting was declared two years ago to be but "a pretty story" by Dr. Albert Cook Myers, leading authority on early Philadelphia, who for fifteen years has been devoting his time to compiling and editing the complete works of William Penn. He likewise declared that Penn Treaty Park, in the precinct of the Quaker City known as Kensington, was not the hallowed spot on which Penn signed the treaty with the Indians as pictured in the school histories. But the monument still stands, and the engraving still adorns the primers of the national past; for granite is no more persistent than tradition. For good measure, Dr. Myers has stated that the small, brick, William Penn house, preserved in Fairmount Park, is likewise apocryphal. "It is a nice old house," he says, "but it was not occupied by William Penn. At the time he is supposed to have lived in it there was no brick house in the Commonwealth."

The Boston Tea Party, still heralded to our school children as the patriotic broadside that launched the campaign for "life, liberty and the pursuit of happiness," was a mere foray of resentful dock clerks. The British East India Company had tea in its warehouses for which there was no market. The duty on tea was one shilling a pound, but the Dutch East India Company brought its tea to St. Eustatius, thence it was taken by Yankee vessels and distributed along the Atlantic seacoast. The British Government, to aid the India Company, reduced the duty on tea to three-pence. At this rate it did not pay to smuggle and pay "graft" to the customs officials. Probably all would have gone well, but, instead of putting the tea in bonded warehouses, whence all merchants could get it, the tea was consigned to three firms—R. Clark & Son, Benjamin Faneuil and Joshua Winslow—and to two sons of Governor Hutchinson. The other

merchants resented this monopoly; their clerks and some young men, ripe for a prank, turned their coats inside out, daubed paint on their cheeks, went on board the tea ships and threw the tea into the harbor. The young men were all known, but nothing was done about it. There was some talk about indemnifying the owners, but matters began to move apace, and the incident was forgotten.

What boots it, say the myth-making historians, that Bunker Hill monument is not on Bunker Hill? But why, pray, in the school-book references to the shrine, should no mention be made that it was erected only through the munificence of Judah Touro, a Jewish gentleman of New Orleans, and not in the least through any public spirit of the offspring of Lexington scions? The legends of Americana are legion. They have their focal point in Philadelphia, the "cradle of liberty," though parturition occurred in North Carolina with its prior Mecklenburg Declaration, and delivery in the maternal confines of Virginia, with French political philosophy as the midwife. In his recent *Life and Letters of Jefferson*, Francis W. Hirst gives Jefferson's own account of the providential dispensation which hastened the decision of Congress to approve the Declaration:

Near the old State House at Philadelphia, now called Independence Hall, where the debates were held, was a livery stable. The afternoon of July 4 was very hot. Through the windows of the hall, which were open, swarms of horseflies descended and assailed the silk-stockinged legs of the delegates. Under this infliction the majority which wished to conclude the discussion grew impatient; and so that very day the Declaration was approved.

ABOLITION OF SLAVERY

Take, again, the commonly accepted fallacy about slavery, as set forth for juveniles and expounded by the generality of citizens. Who can gainsay the fact that slavery in the North, proving to be an economic mistake, was abolished at the beginning of the last century? There was no moral sentiment against it, excepting among the Quakers. The anti-slavery sentiment was stronger in the South than in the

North, and had it not been for the intemperate speaking and writing of the fanatics the institution would doubtless have been abolished before it was. The North sold its able-bodied negroes to the West Indies and to the South, and emancipated the others. The South would have abolished slavery had it known what to do with the slaves, but there was the fear of turning loose such a large body of persons not long removed from savagery. In 1826 the United States had 143 anti-slavery societies, and of them 103 were south of Mason and Dixon's line. In 1831 William Lloyd Garrison published *The Liberator*, in which he urged the slaves to rise and kill their masters; this was further than the Southern anti-slavery societies cared to go; they dissolved.

What figment is more imbedded in the American mind, juvenile and adult, with respect to the days of the "war whoop" than that the Indians scalped the Nordics for pastime. But how many are told that the whites scalped the Indians for profit? What school history gives other than one side of the story of Indian resistance to paleface aggression? Pennsylvania paid many a bounty of \$75 for an Indian scalp when it came from a warrior. Squaws and papooses fetched less. South Carolina once put a premium of £75 on every warrior's crown. In 1703 Massachusetts offered £12 for every Indian scalp. In 1722 it was raised to £100. In 1745 a measure was passed, entitled "An Act for Giving a Reward for Scalps." The English, having determined in 1775 to incite the Indians against the American Colonies, supplies of hatchets, firearms and ammunition were issued to all the tribes from the Lakes to the Gulf, and bounties were offered for American scalps brought in to the commanding officers of the British strongholds at Detroit or Oswego.

In the border warfare, which the Virginia army under Colonel William Christian waged against the Cherokees in 1776, every Indian warrior when slain was scalped. Prisoners were put up at auction as slaves. Some were "sent home without their nightcaps, to show their people how they had fared." A group of Pittsburgh citizens, on May 17, 1791, issued a procla-

mation offering \$100 "for every hostile Indian scalp, with both ears, taken between this date and the 15th day of June next, by an inhabitant of Alleghany County." Other localities did likewise. As a result, border ruffians went on the hunt for human game, and many an Indian coming to a trading-post with his peltries was waylaid and shorn of his valuable thatch.

In 1763, when the English General Bouquet was trying to protect Fort Pitt (now Pittsburgh) from the Indians, Sir Jeffrey Amherst, British military Governor of Virginia, wrote to him: "Could it not be contrived to send the smallpox among those disaffected tribes of Indians? We must on this occasion use every stratagem in our power to reduce them." Bouquet replied: "I will try to inoculate the Indians with some blankets that may fall into their hands, and take care not to get the disease myself. As it is a pity to expose good men against them, I wish we could make use of the Spanish method, to hunt them with English dogs, supported by rangers and some light horse, who would, I think, effectively extirpate the vermin."

The Pequod tribe, numbering about 3,000, was wiped out by the Connecticut settlers in a fatal surprise of the tribal stockade on the Mystic River. The trouble arose through mutual misunderstandings, outrages and bloodshed, on the part of the natives and intruding whites. The colonists set fire to the Indian palisades, and 600 warriors, squaws and children perished in the holocaust, other fleeing hundreds being shot down. The spirit of the times is reflected in Nathaniel Morton's words: "It was a fearful sight to see them thus frying in the fire; but the victory seemed a sweet sacrifice." Increase Mather, in the same vein, wrote: "This day we brought 600 Indian souls to hell." This is not in school histories. Nor are we told of the treaty with the Cherokees in Georgia, guaranteeing them possession of their last reserve of land "as long as water runs and grass grows," and wrested from them within a decade by chicanery.

WAR PROPAGANDA

The historian James Truslow Adams discovered a letter written soon after the

Battle of Bunker Hill by Samuel Adams to Elbridge Gerry commenting on the fact that some of our military men had not acquitted themselves well at the battle, and that, therefore, it would be well to collect every anecdote of a man who had behaved well and dilate on it as much as possible. Apparently, as early as the Revolution, propaganda was used consciously by the leaders. Even so distinguished a statesman as Benjamin Franklin published in France during our Revolution a counterfeit copy of the Boston *Chronicle* which contained a letter describing what purported to be an invoice of eight packs of cured, dried, hooped and painted scalps of rebels, men, women and children, taken by Indians in the British employ. It was such canards that drew from Balzac the statement that Franklin "invented the lightning-rod, the hoax and the republic."

We do not recall that anything so vicious as Franklin's document was issued from official American sources during the World War, although some of the material put out by George Creel of the Committee on Public Information was certainly equally mendacious, for example, stories of "babes on Hun bayonets," and similar martial excitations, which were circulated to the press to goad the furibund morale of the Liberty Bond legions. Cold-blooded, intentional deception of this kind was disclosed by a statement made by Brigadier General J. V. Charteris, Chief of Intelligence of the British Army during the war, at a gathering in the National Arts Club in New York City. In this speech General Charteris revealed the fact that he had authorized the transfer of a caption from a picture showing a train taking dead horses to the rear to a picture showing a train taking dead Germans to the rear for burial. The point of the transfer lay in the fact that the caption said that the bodies were to be made into fat and fertilizer. The canard was given wide credence, with resultant intensified hostility to Germany.

Rupert Hughes, the novelist, who, in a speech at a banquet of the Sons of the Revolution, in January, 1926, indicted the dehumanization of George Washington as the "spotless saint of school-book tradition," was more detached than discreet.

The controversy aroused by his painting Washington in true colors that detracted no whit from his stature in mature minds centred on his mention of that worthy's fondness for dancing, card playing, profanity and strong drink. He had only to submit the extant bill of particulars of the vintages imbibed at Fraunces' Tavern by Washington and the Reception Committee after the inauguration, or the First President's receipts for small beer. It is well that he did not place in evidence the extant holograph letter to Lafayette inviting the overseas nobleman to visit Mount Vernon and stipulating that two comely slave wenches awaited to regale his coming.* The point of Mr. Hughes's speech was his statement that American school children should be taught "historical truth," which could not be found in most of the school histories, and his assertion that he had made an exhaustive study and found Washington never favored or meant to fight for independence, and that the Revolution was only a "civil war."

It was not from privation that the troops of Washington suffered at Valley Forge, but from loyalist profiteers. There was no clamorous urge of an oppressed people in 1776; there was no unanimous stand for freedom. At least a third of the colonial population was loyal to King George; of those rebellious spirits who chafed at the taxation and rule of Britain only a fraction

*On the question of the existence of this letter see Professor Hart's article which follows.

enlisted to defend their "inalienable rights." Two months *after* the Declaration of Independence, in his desperate need of an army, we find Washington begging Congress to award bounties and land grants as inducements to bring the patriots we celebrate to a defense of their liberty.

Our patriot forefathers are much too romantically praised. It is difficult not to yield to the evidence that in the Revolutionary War they were, to a great extent, "slackers." With a potential fighting force of upward of 200,000, Washington, whose heart was broken by the incompetence, insubordination and corruption he had to endure, had at one time a disaffected army that had dwindled to fewer than 16,000, with desertions of whole regiments. Hampered by a jealous Congress to the point where for him to endorse an officer for higher rank was to jeopardize the promotion, he was impeded by a public who coined the phrase, "a standing army is dangerous to liberty." He had to remake his army every six months. But his triumph was not lessened by his tenderness for toddlers! Close study of those years of struggle brings a sense of the nobility of nature and rare leadership of Washington, enhanced rather than belittled by his propensity for profanity, strong drink, cards, or dancing three hours without cease with the lady of his favorite General.

Philip Guedalla has truly said that much history, as it is generally known, is merely folklore. He was perhaps delving in American history when he said it.

II. Baseless Slanders on Great Men

By ALBERT BUSHNELL HART

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WHAT is history? Is biography history? What shall be the relation of the biographer to his subject? Annalist? Narrator? Interpreter? Critic? Magnifier? Minifier? Detective? Police judge? Tabloid reporter? Does a biographer make a man great? Does the space writer make a great man little? It is easier to write a biography than to point out how other people ought to do the work.

American biography as a science begins after the Revolution. The amazing success of Parson Weems, a literary curiosity, in moulding a majestic Washington into a formal and unendurable prig, shows what the favorable biographer can do at his worst. He cast a solid, large-size halo and tried to fit it to a man so great that even Weems could not obliterate him. Alongside primitive Weems arose a school of

able, virtuous and indiscriminating biographers, particularly John Marshall, Washington Irving and Jared Sparks. Sparks is at the same time an exemplar and a warning to young scholars. He was pained when the Father of his Country spelled window "w-i-n-d-e-r"; and thought it unpatriotic to record that General George Washington, on occasions of great stress, used language not ordinarily associated with a halo. On the other hand, Sparks founded a school of historical writers by his amazing scent for authentic material. If he sometimes toned down the text of a source, he never perverted it; and he performed the immense service of saving, collecting and arranging for posterity a good part of the essential sources bearing on Washington.

With these respectable writers came a swarm of patriotic school textbooks, written in the half century after the Revolution by such eminent historical authorities as Peter Parley and Professor Quackenboss. They agreed with the really able, though one-sided, historian, George Bancroft, that the patriots in the Revolution were always right and all right. Likewise, they saw no cause for the Revolution except intolerable and accumulating injuries, due primarily to the tyranny of King George III, and thence to the hostility of the whole British nation. Such authors saw no distinction between their friends, the English Whigs, and their enemies, the English Tories. They looked upon the Revolution as the work of a united people, ignoring the undeniable fact, attested by such authorities as John Adams, that close to a third of the people who had a share in the political power up to 1775 were against war and against separation from England.

In the last fifty years a new school of historical writers has sprung up, trained in comparative methods, exercised in the discovery and publication of new sources, who have maintained by word of mouth and in print that the American Revolution was not a detached episode, but a significant part of our national history. They find its roots in the first English colonies in North America and carry the story of the Revolutionary principles down to the World War of 1914-1918. One-half of

American history, measured by years, has been enacted since the end of the Revolution; hence a great change of proportions in American histories of all types. Furthermore, these modern writers make it clear that the end of the Revolution did not see a united people; and that even those who stood by the Revolution were not all of them unselfish or patriotic or helpful to the cause. Even children ought to know of such episodes as the Conway Cabal, the difficulties with Arthur Lee, and the mutiny of Continental troops late in the struggle. The true lesson of the Revolution is the same as that of the bank controversy in Jackson's time, namely, that among people who disagree, some of whom refuse to play an honest game, the Americans still can work out their problems and advance their country.

OPPONENTS OF THE REVOLUTION

Since the World War there has been a curious recrudescence of the Worship of the Revolution in frantic denunciations (to which Mr. Blumenthal in the preceding article takes just exception) against writers charged with "treason to American traditions." This includes demands that school children shall not be allowed to use books which reveal the difficulty of bringing the colonists up to the point of independence and the fact that there was dissent among Americans during the Revolution. Certainly not all the patriots and fathers of the Constitution can have been equally patriotic and free from later criticism, inasmuch as they so cordially belabored each other. It is, however, no remedy for an incomplete statement of the causes and forces of the American Revolution to cite, as Mr. Blumenthal does, the authority of Henry Belcher and Arthur Johnston, whose books are intended to prove that the Loyalists were throughout the only reasonable and right-minded people, and the patriots a set of thieves. Of all the literature concerning the Revolution, none is so prejudiced and so unreasoning as that emanating from the accredited Loyalist writers.

It is, of course, difficult to make school children understand the constitutional, economic and social reasons for the Revo-

lution which had been accumulating for half a century. The one conclusive lesson of the Revolution which ought always to be taught is that, whatever their previous differences, the American people preferred a separate, Republican and federated government; and their ultimate right to that decision was settled once for all at Boston and Saratoga and Trenton and Yorktown.

Mr. Blumenthal proves how difficult it is to write unprejudiced and authentic history and how prone writers are to exaggerate events of little significance by his curious account of the nomination of Lincoln for the Presidency by an "accident." No writer's unsupported statement can do away with the facts as revealed by the correspondence and statement of the Republican leaders in that convention. Before the convention assembled, the delegations from Ohio, Indiana, Pennsylvania and Illinois, the pivotal States, all reported that if their favorite son could not be nominated they were for Lincoln. His nomination was therefore always assured, subject to the danger of an "accident" for Seward, which did not materialize.

The Puritan Fathers also come under Mr. Blumenthal's ban. He seems to think that the present generation is not sufficiently aware of their defects. If so, it is not for lack of statements contemporaneous and present. In 1674 John Josselyn protested against "the damnable rich—grose *Goddons*—inexplicably proud." Even one of their own sons, Charles William Eliot, once acknowledged that his sympathies "were not with the Puritan Fathers, but with the Puritan Mothers who had to live with the Puritan Fathers." Other sections of the country and trenchant historical writers, even in New England, have not waited for Mr. Blumenthal mercilessly to place before the country the errors and weaknesses of the Puritans. Yet New England Societies continue to venerate "our wise and pious ancestors," and the New England influence from coast to coast continues unabashed.

With regard to school books, doubtless many historians, authors both of standard works and of school texts, touched too lightly on the defects of the political and military systems of the Revolution, and the ineptitude of most of the military

operations of the War of 1812. That period is, however, redeemed by the naval results. On the other hand, there would seem to be no good reason for trying to teach school children the details of Revolutionary squabbles or the intricacies of military contracts.

REVOLUTIONARY FINANCIAL DIFFICULTIES

At this point Mr. Blumenthal steps in with a powerful paragraph on the terrible economic and business depravity of the patriots and of the people after the war. Much nonsense has been written about the question of supply and finance during the Revolution. The truth is that not a single colony or city was organized for any such financial strain as that imposed by a long-continued war. There was not much specie in the whole country. Roads were elementary; sea transportation was dangerous. There were few factories of arms and material. Taxes were very difficult to collect. The Colonies, though prosperous and well fed, had never been brought under any kind of common or economic régime. Paper money was the only means of finance, just as it proved to be in France and Great Britain during the World War. Congress could lay no direct taxes. The States were very slow to furnish funds. It was chiefly due to Washington as the centralizing force that the army was held together at all. Of course, there was profiteering. There has been profiteering in every American war since the Revolution, not excluding the World War.

Equally unjust is Mr. Blumenthal's lack of confidence in the majority of the people, evidenced by his remark, "For some years after the war it may almost be said that the majority of Americans were disloyal." Disloyal to what? In a few cases to their own State Governments, as is illustrated by Shay's Rebellion in Massachusetts, which was disposed of by a few musket shots. Commercially, the country was for a time disorganized because the centralizing relations of Great Britain no longer existed. Nevertheless, it appears to be a fact that in the so-called Critical Period from 1783 to 1788 the country was increasing in wealth, enlarging its trade and settling new areas. Likewise, it must not be forgotten that the status of the poor man,

and especially of debtors, was hard and cruel, as it was in England at the same time, and as it had been in the Colonies. In 1786 there was danger of a break-up because of the weakness of the Federal Government and the pressure of national and State debt. Shay and his friends were in the right in their insistence that changes must be made in the fundamental law of Massachusetts; and in due time those changes were made without further apprehension of revolution.

In his criticism of the process by which the Constitution was made, Mr. Blumenthal is moderate in comparison with a new school of American historians, headed by Charles A. Beard, who make it their business to establish the thesis, if possible, that the Constitution was made by rich men and for rich men, and was secured against the interests and contrary to the wishes of a considerable majority of the people. Many fallacies combine in this oft repeated and expanded slur upon the Fathers of the Constitution, and in fact upon most of the men of education and public service then within the United States.

In the first place, the members of the convention were of the same class and in many instances the same persons as sat in the Colonial assemblies and councils before the Revolution, the Revolutionary Congresses and Conventions and Legislatures, the Stamp Act Congress, the First Continental Congress, the Second Continental Congress and the Congress of the Confederation. If the Federal Constitution was an engine for the enrichment of the rich, so was the Association of 1774, the Declaration of Independence, the Constitutions of the thirteen States, and the Articles of Confederation. The men who formed the majority in all these bodies belonged to a governing class which had existed throughout Colonial history; and nothing is more magnificent than the manner in which the spirit of the Declaration of Independence, with its equality of political rights, gradually overcame those seats of the mighty, so that within thirty years after the Constitution was adopted it approached a white manhood suffrage throughout the Union. The revolution in public sentiment and in political forces

after 1789 was far more sweeping than during the Revolution; and it was accomplished almost without an attempt to stop its progress by force. Loose talk such as that "Thomas Jefferson as President sought to depose the judges of the Supreme Court" befogs the whole question of the principles and the precepts of the post-Revolutionary period.

NATION'S FIRST YEARS

The possibility of a peaceful enlargement of popular rights was greatly enhanced by the character of the Federal Government in its first decade. But Mr. Blumenthal says that "for some years after 1793 there were practically no Americans in America." This serious error of statement is due to a lack of understanding of the international conditions of the world. For the first time in the history of mankind a nation had been created in the Western Hemisphere. The people of the United States were the first to withdraw from a status of Englishmen or Frenchmen or Spaniards in America.

No sensible person will dissent from protests against attempts to ratify legendary beliefs as to happenings in our early history. Betsy Ross and Penn Treaty Park and all that are not necessary for faith in free institutions. Nor does Jefferson's story of the silk stocking legs and the horseflies in the least disturb the historic fact that the Fourth of July was at the time, is and ever shall be the accepted birthday of the United States of America. No sensible man will dispute the fact that frontiersmen brought into close contact with the Indians were often Indianized in character. Still, it certainly is fair and historical, when describing the cruelties of the Indians, to bring out the fact that it was a hard, cruel time all over the world.

Now comes in the question, treated at the end of Mr. Blumenthal's article, as to the historical use of details of the private lives of historical characters. In a certain sense no public man can have a private life which is free from investigation. Everybody knows that Alexander Hamilton terribly injured his own reputation; that Aaron Burr was a rake; that Daniel Webster drank too much brandy and that Secretary Belknap retired from the War

Department under fire. Those men while they lived and their descendents after them cannot be freed from that onus. These things evidently are not for school books, but they cannot be escaped by sincere biographers. On the other hand, the question arises whether one is justified in going back into the early history of historical characters and searching there for things in the dark. Alexander Hamilton was illegitimate, and that is enough. Benjamin Franklin's frailties, early and late, appear somehow to have been condoned by his fellow-countrymen. Yet the conclusion must be that a man who enters public life has no right to complain if his earlier history is examined, and such discreditable acts as may be found are brought to the light.

This allowance, however, certainly does not cover the digging into the youth of great men in order to find some weak, foolish or dishonorable action. Nothing in modern times has done so much to enhance the reputation of Washington as the attempts of a few writers to make out that he was a weak, unhappy and unsuccessful youth, who philandered about among the girls in an unaccountable way, and came so near some of them that where there is

smoke there must be fire. For no one, whether working with a grub hoe or pick and shovel, has been able to bring forth any evidence that would convince any unbiased mind that George Washington failed to keep George Washington in hand. The boy is father of the man. A licentious youth is likely to come out an Aaron Burr but not a John Quincy Adams.

It is unpardonable that Mr. Blumenthal should give currency to the statement referring to "the extant holograph letter to Lafayette, inviting the overseas nobleman to visit Mount Vernon and stipulating that two comely slave wenches awaited to regale his coming." The writer of this article hereby offers the sum of \$100 in cash to any one who will show him this alleged holograph letter or a photostat of this letter certified by competent experts as made from an actual letter written by George Washington. There is no such letter; there never was such a letter. The statement illustrates the pitfalls into which a writer, however well meaning, stumbles when he attempts to warn his fellow-countrymen against historical errors, and makes a gross, unnecessary and slanderous statement by his own volition.



Labor's Defense Against Employers' Welfare Tactics

By MINA WEISENBERG

Secretary, New York Chapter, League for Industrial Democracy

THE last few years have seen the creation and the popularization of a new economic doctrine in America. This doctrine may be called industrial paternalism or "Carverism," after T. N. Carver, Professor of Economics at Harvard University, who is its most ardent exponent. The keynote of this teaching is the belief that a new era of good feeling between the employer and the working classes has arisen. Harmony, created by the realization of the unity of interests of the two classes, and fostered by the welfare work of employers, is the order of the day—so the industrial paternalists assert. The seeds of this doctrine have been spread abroad, and in England numerous articles have appeared rejoicing over the harmonious relationships set up between capital and labor in our Western republic. It is a matter of serious import that Carverism has made deep inroads on economic thought in America.

The exponents of industrial paternalism declare that the new employer-employee relationships have already had important practical consequences. According to Professor Carver, "the only economic revolution now under way is going on in the United States. It is a revolution that is to wipe out the distinction between laborers and capitalists by making laborers their own capitalists and by compelling most capitalists to become laborers of one kind or another, because not many of them will be able to live on the returns from capital alone." As evidence that laborers are becoming capitalists he cites the growth of investments by laborers in the shares of corporations and the growth of labor banks. It is amusing to note, however, that nowhere in his book, *The Present Economic Revolution in the United States*, does Professor Carver give any evidence to prove that part of his theory which deals

with capitalists becoming laborers. Another author sees in the newer paternalism in industry the sapping of our present American trade unionism. He does not know what will replace it. To judge from still other accounts, a new era of Christianity has been founded: Utopia is on its way.

The picture of industrial society today, as the writer sees it, differs materially from that presented by the industrial paternalists. To begin with, it is unscientific to evolve a theory of a revolutionary change in the relationship between capital and labor on the basis of available facts. The most these facts show is that, in the constant struggle between the opposing forces of the employers and the workers, new methods of warfare have developed. New trenches have been built. These new defenses may be found, on the one hand, in the sale of stock to employees and the welfare work of employers, and, on the other hand, in the growth of labor banks and insurance companies of the laborers. Actually, however, employees' stock ownership is of little relative statistical importance and has not served to increase the power of labor. On the other hand, trade unionism is far from moribund. The unions are doing welfare work for their members much more effectively than the employers could.

To what extent has there been any permanent change in the relationship between capital and labor? Is it true that the workers are so prosperous that they are becoming capitalists, as Professor Carver declares in an article in the January number of this magazine? This prosperity, he argues, is due to the quantity production made possible by the great development of machine industry here in America, and this prosperity is accumulating. That the American worker is far better off than his

European brother is not subject to dispute. The causes for this condition are manifold—at present mainly the result of our unique post-war situation. Yet this prosperity is hardly revolutionary in character. In 1923 and 1924 the real wages of unskilled workers were 20 per cent. higher than the 1913 average which was then considered insufficient for a decent standard of living. That greater productivity has as a necessary concomitant greater prosperity is absolutely untrue. It is a curious anomaly that a community may suffer want because it has produced superabundant wealth. Witness the plight of the cotton growers today. In May, 1925, in the *Monthly Labor Review*, Secretary James J. Davis said: "I realize that with plenty of capital available from the savings of industry and with the rapid increase of the productive efficiency of labor which is going on all around us, we are heading toward another trouble, which is already upon us in a most acute form in the bituminous coal fields, and that is the overdevelopment of industry."

FLUCTUATING PROSPERITY

Is such prosperity as we have, however, a permanent condition of American labor? Those familiar with laws evolved by statisticians through testing representative facts know that all social phenomena have a long-time trend, either upward or downward, with smaller fluctuations during any one period. No scientific economist would dream of deducing a theory of economic evolution where anything less than a general trend movement of fairly long extent can be proved. Yet all this elaborate reasoning of revolutionary changes, of a permanently prosperous laboring class, and of the doom of American trade unionism, has been based on minor fluctuations, barely five years in length, some clearly the result of abnormal war conditions. The theory of a second industrial revolution, now in process, is unworthy of any serious consideration because it is founded on the fallacy of interpreting short-time fluctuations as if they were long-time trend movements.

We are in the prosperity stage of the business cycle now. We cannot hope to stay the downward swing of the pendulum.

Prosperity will not last forever. Let us not base any assumptions on the false hope that it will. Wesley Clair Mitchell, warning us against this fallacy, says: "When times are good and getting better those who do not remember business history run to the opposite extreme, and talk as if the country had entered a career of steady expansion which nothing could check. They think the phenomenon is one which will continue for all time, rather than a few months or years at the most."

Let us consider one of the manifestations of the newer paternalism—employees' stock ownership. Much emphasis has been placed on the growth in the last few years of the sale of corporate stock to workers. Actually how far spread is this movement? According to a report in the *Financial World* for March, 1924, a questionnaire sent to 1,000 leading corporations of the country for the purpose of ascertaining how far the movement toward labor stock ownership had progressed elicited only 129 replies, 104 of these showing that employees below the grade of officials owned stock. *Bloomfield's Labor Digest*, which made an extensive study of stock participation plans, discusses eighty-eight corporations in which various forms of stock ownership by the workers have been evolved. A *Metropolitan Life Bulletin* on the same subject analyzes about the same number of corporations, mostly the same companies. In John Tinsley's book, *New Phases of Industrial Management*, just recently published, thirty-two companies, also practically the same as those discussed in the other two reports, were listed as selling stock to employees. There are clearly less than 400 companies known to sell stock to their workers. This figure allows for a number of additional corporations possibly doing so. Yet in 1922 there were 382,833 corporations reporting net incomes in the United States. Thus only one-tenth of 1 per cent. of all our corporations sell stock to their employees. A comparison of the figures of labor stock ownership cited in the various reports with the capital stock of the corporation involved shows only one or two cases where more than 15 per cent. of the entire corporate stock is in the hands of the employees.

Another way of realizing the minor sta-

tistical importance of stock ownership among the laboring classes is from a study of the figures of incomes and of dividends paid out annually. This shows that 99.1 per cent. of all the people of the United States have incomes of less than \$5,000 per annum. Yet this 99.1 per cent. of our people, all together, received only 18.4 per cent. of all the dividends paid in the year 1922 (in 1919 only 13.3 per cent.).

WORKERS' STOCK OWNERSHIP

There is thus hardly a question of a growth of financial power of labor here. Is there not rather cause for intelligent workers to feel that capital is slyly spiking one of the workers' guns by giving labor an inducement to maintain the status quo? As Sam Lewisohn, in his recent work, *The New Leadership in Industry*, says: "Ownership of stock serves as a symbol of, and a means of identification with, the economic system." Is it conceivable that the United States Steel Corporation had a very benign purpose in selling stock to its employees when we realize that the average daily pay of its laborers, according to *Moody's Analysis*, was \$6.96 in 1920, \$5.61 in 1921 and \$4.78 in 1922? To be able to save at all from such a stipend connotes an extremely low standard of living. The fall in wages from 1921 to 1922 probably accounts for a drop in the percentage of employees owning United States Steel stock from 42 per cent. in the first of these years to 16 per cent. in 1922.

Labor leaders are realizing and impressing upon their following that stock ownership by the workers has meant no growth in labor's power, but, on the contrary, that the more widely the stock is scattered the more inevitable is the control of a few large stockholders. The Dennison Manufacturing Company, as quoted in the Report on Stock Participation Plans in *Bloomfield's Labor Digest*, explains that "the chief motives which led us to reincorporate the Dennison Manufacturing Company in 1911 in the form of an industrial partnership were, first, to provide a better means of distribution of whatever profits there might be in excess of a fair return on capital; second, to make certain that the voting power would always remain in the hands of those intimately connected



THOMAS NIXON CARVER

Professor of Political Economy, Harvard University, since 1902, and author of *The Present Economic Revolution in the United States*

with the company's affairs." In an article on the distribution of corporate ownership in the United States in the *Quarterly Journal of Economics* for November, 1924, H. T. Warshaw concludes: "This gradual shifting of the ownership of corporations from the few to the many has not affected materially the actual control of the corporations. On the contrary it has strengthened controlling interests. One of the results of this great diffusing of stock holding is the possibility of controlling a large corporation through a comparatively small portion of the total stock of the corporation concentrated in the hands of a single individual or a group."

In studying actual stock participation plans, many curious restrictions are discoverable. The Eastman Kodak Company says that, "for acts prejudicial to the firm, certificates may be annulled and payments returned minus interest." The United States Steel Company states that certificates may be canceled for the following

reasons: (1) If an employe voluntarily leaves the service; (2) if he is discharged for cause; or (3) if he fails to resume employment when requested. Consider the question of strikes under these arrangements. There are numerous other qualifications for stock ownership to keep the workers under control, such as American citizenship, years of service, special recommendations by supervisors, and so on.

Enlightened employers strive to improve working-class conditions and to add to the workers' self-respect by teaching them to save and to invest. True! But they are just as acutely conscious of the practical and psychological effect of many of their plans. The Vice President of the Crompton & Knowles Loom Works, an organization having excellent relationships with its employes, in talking of the Pay-Roll Savings Plan, states: "We know, too, from much experience with this plan, that when a man accumulates a few hundred dollars for the first time in his life, he looks upon the world from a very different way from what he would have done when he had nothing. The Socialist arguments of the soap-box orator that all the money in the banks ought to be divided up do not appeal to him any more. He * * * is distinctly a better citizen." One of the leaders of the American Federation of Labor sums up the situation by saying that profit-sharing schemes operate to pay the workers a lower wage than they would otherwise be able to enforce and to make trade union organization difficult, if not impossible.

UNIONS' INCREASED MEMBERSHIP

Turning, now, to the other side, let us ask, In what condition is labor unionism today? What are its newest developments? What is its answer to employer welfare movements? The inflated war unionism, not built on a sound basis of labor education, was bound to collapse. The downward fluctuation has about spent its force. The *World Almanac* reports that the year 1925 "witnessed an end to the loss of membership in the unions affiliated with the American Federation of Labor, the organization showing a small gain for the first time since 1920." In the old established unions, for the time being, skirmishing is necessary to maintain war wages and

hours, with little hope for any improvement on them—not that the well-versed labor leader is misled into believing that the workers have really obtained their full share of the increased productivity. They have followed the work of statisticians, such as Paul Douglas, who showed in the *American Economic Review* for March, 1926, that, although production has increased 52 per cent., the real wages of factory workers increased only 28 per cent. from 1899 to 1923. But practically little can be done about that at present. Labor has not yet been benefited by restricted immigration. The limitation of foreign labor has been balanced in Northern cities by an influx of negroes starved out of farming in the South. There is the tremendous but slow job of unionizing the vast number of unorganized workers, a generation behind their time. But apart from that, what are the unions doing?

The scope of the work of labor unions is almost limitless. The active organizations today, beginning as protective groups to raise wages, to prevent reductions and to limit hours of labor, have developed health centres, workers' schools and camps, cooperative building foundations, insurance societies and savings banks. The field of intensive and extensive welfare work being undertaken is vast. It is impossible to list more than a few examples. The Cigar Makers' Union gives sick, death, disability, out-of-work and strike benefits and has a loan fund for its members. A group insurance plan for death or total disability has been developed by the International Association of Machinists. The Electrical Workers' Benefit Association shows the enormous savings made by unions being their own insurance companies. Their mutual policies are the cheapest obtainable, with largest benefits possible. At the Union Health Centre established by the local branches of the International Ladies' Garment Workers in New York, not only is educational and life extension health work carried on, but treatments are given, free or at very low rates, such as X-ray, physio-therapeutic, dental, and so forth. There is nothing new in all this. But it is important to remember that laborers can secure all these benefits for themselves, instead of having them given to them as spe-

cial favors, and that no kindly employers dreamt of making these little presents until they found that their laborers were glancing longingly at the better conditions of their unionized brothers.

Unions have gone into "Big Business." This is a matter of a controversial nature, and, without doubt, of grave moment. How did labor come to go into the business of banking? When organizations, like stable objects, move in a new direction, it is usually an outside force that provides the impetus. In this case the outside force was the American Bankers' Association, with 23,000 members, which adopted an "open shop" resolution. The Executive Council of the American Federation of Labor reported that "in a number of cities banking institutions have used their banking facilities to compel employers to assume an attitude toward trade unions which would weaken, if not destroy, the organizations of the wage earners. In some instances the control over banking facilities has been used to enforce a reduction of wages, in other cases to further the so-called 'open shop,' or American idea, while in other cases both these repressive objects were the end sought." As a result came the labor bank, fathered by Warren S. Stone, of the Brotherhood of Locomotive Engineers. There are already nearly forty labor banks successfully doing business in the United States, run on the same general principles as all other banks.

SUCCESSFUL LABOR BANKS

These banks are successful and psychologically most important, for they show that there is nothing mysterious or inimitable about the big financier; that labor can, in fact, do very well for itself in capital's own field. However, the importance of labor banking to the general improvement of working class conditions is of too controversial a nature for any conclusions to be reached after such a short period of experimentation. Much depends on the investment and loan policies to be followed. Will the labor banks plan to invest money only in organizations using union labor or will they make any safe profitable investment, such as other banks? Will the labor banks finance cooperative worker activities? On the other hand, will labor

banks help bind the workers to capitalistic society as it exists today? Time will tell. Meanwhile, the oldest and largest of the organizations, those fifteen or more banks run by the Brotherhood of Locomotive Engineers, are of a most conservative and capitalistic nature. They encourage their depositors to buy safe bonds of industrial corporations, with the idea that, as Warren S. Stone put it, "once a man has clipped a coupon for the first time, he wants to cut another, and he begins saving to buy another bond." It is difficult to find much difference in the psychology of some labor bankers and some welfare employers. The only conclusion that can be reached is that labor banks are potentially, but not necessarily, a source of great power to labor.

Good or bad, labor capitalism is growing. The United Workers' Cooperative Association and the Amalgamated Clothing Workers are each building huge cooperative apartment houses in the Bronx in New York City. This is wholly good. Matthew Woll recently announced that the Union Life Insurance Company was soon to be launched. "Union labor," he writes, "is going into the life insurance business—in dead earnest, on a sound business basis, to serve its membership better than it has ever been served before, and to add to the strength, solidarity, prestige and power of the labor movement."

One other development remains to be noted. That is union-employer cooperation. Numerous instances of these united efforts in behalf of industry may be found. Joint councils of representatives of unions and of employers' associations have been organized. These joint councils work on the excellent general principles of the undesirability of strikes, the possibility of conciliation or arbitration of all disputes, cooperation for better craftsmanship, better local union leadership, better working conditions and enlarged production. Such councils have been found effective among the electrical workers, in the leather goods industry, and in a number of others.

An interesting case in point is that of the Photo-Engravers' Union. The photo-engraving industry was rapidly facing numerous bankruptcies because of unfair competition, rising costs and declining prices. The union forced the employers to form

the Photo-Engravers' Association. The business was put on a paying basis. A joint council was formed, which discusses not only wages, hours of work and similar matters, but also general trade policies, technical training and research and possibilities of invention. Effective work has been accomplished since the inauguration of this council in 1919. In the printing industry the Joint Industrial Council binds together not only employers and employees but the several distinct unions in the trade; namely, the International Typographical Union, the International Printing Pressmen, the International Brotherhood of Bookbinders, and the International Stereotypers' Union.

WHERE HARMONY PREVAILS

In the *Proceedings* of the Academy of Political Science in 1922 it was reported that "the results accomplished, however, since the formation of these joint industrial councils in 1919, indicate the great possibilities of these cooperative and mutually helpful efforts. The achievements thus far attained indicate clearly that the principles of cooperation are destined to supplant our competitive notions and that new standards are in the making which will give labor eventually an effective voice in the management of industry and thereby more clearly place our industrial relations on a par with our democratic ideas."

As a final example of union-employer cooperation there is the splendid work of the Baltimore & Ohio Railroad. Its general plan of united action recognizes that the trade union is the proper agent to organize employe welfare activities and that the union should have constructive as well as protective duties and responsibilities in the operation of the railroad. Cooperation on this basis was agreed to, to improve

transportation, to eliminate waste, to increase productivity, to better morale and to try to develop greater regularity of employment. For this last purpose work previously done in outside shops, even at times when railroad workers were laid off, is now undertaken in railroad shops to the extent of almost \$3,000,000 paid to railroad employes in 1925 that had previously gone to outsiders. It is further admitted in the B. & O. plan that the workers should share in any gain or accrued prosperity that results from their cooperation. Among a number of other industries where fine work in a cooperative spirit is being undertaken are the American Rolling Mill Company, the Dutchess Bleachery and the Joint Board of Sanitary Control in the cloak, suit, skirt and dress industry in New York.

There is no general harmony in industry in the United States; there is little peace. It is futile to deny the existence of conflicting interests between worker and employer. The battle is still on. On the older fronts the same bitter struggle to organize the laborers is being waged, as has been seen in the Passaic conflict. In the newer trenches the warfare has become more technical and subtle, both sides firmly striving to maintain their present positions. There are newer weapons of attack and defense, such as welfare work and employe stock ownership versus labor banks and insurance companies. But between the two fronts there is a peaceful valley, a small area where the conflicting interests have learned to work together for their mutual good. Small at present, it must grow more extensive as increasing numbers of capitalists realize the force and efficiency behind cooperation and the necessity for the shifting of power so that there will no longer be the fear and hatred between those who dominate and those who are dominated in our industrial life.



Latin American Opposition to the New Monroeism

By FELIPE BARREDA

Professor of Pan-American History in the University of San Marcos, Lima, Peru

THE landing of American bluejackets in Nicaragua and the Mexican conflict over the enforcement of oil and land laws have not only given ground for criticism, but also once more caused discussion of the Monroe Doctrine. Superficial investigation and defective interpretation of the facts are responsible for the persistent distortion of that historic declaration both in the United States and in Latin America. My position as Professor of Pan-American History, the first and oldest chair of its kind in Latin America, which I established in the University of San Marcos, Lima, Peru, in 1910, necessitated my reading many books and articles by Latin-American writers on the Monroe Doctrine; and in almost all of them I found a startling misinterpretation of the facts.

In Latin-American countries the error prevails that the Monroe Doctrine was a sort of gift, emotional in character, which the United States presented to the new republics of this hemisphere as an expression of exalted and romantic sympathy in behalf of their struggle for independence. On the other hand, it is a common mistake among the people of the United States to appeal to the Monroe Doctrine as a ready excuse to justify armed intervention and political interference in Latin-American countries in behalf of commercial and industrial enterprises. These erroneous conceptions lead to misunderstanding and the growth of suspicion and animosity between the United States and Latin America.

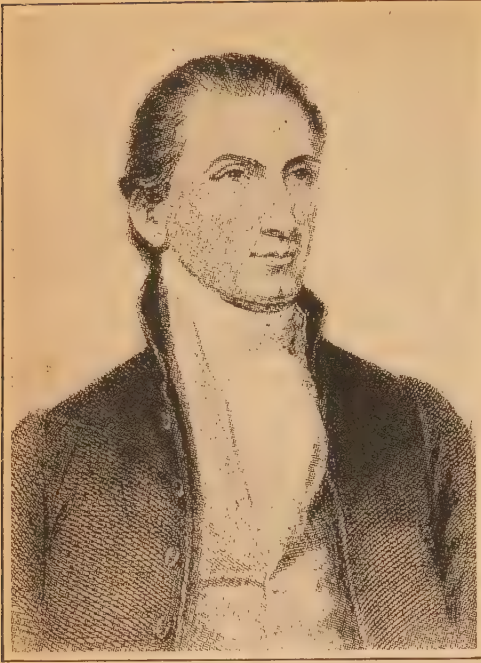
The Monroe Doctrine was first of all and substantially a declaration by the United States for international self-protection and, what is very important, for the protection of its commerce and industries against European intrigues at a particular moment of American history. In this sense it was interpreted from 1823, when it was

enunciated, until the time of the first McKinley Administration, when a second period begun during which the Doctrine was distorted and given a new meaning.

During the first period all the different applications of the Monroe Doctrine referred to the protection of the two Americas *against European interference* or threatened invasions. Such cases were: The dispute with Great Britain over the State of Oregon in 1848, the French invasion of Mexico in behalf of Maximilian, the controversy with Great Britain over the boundary between Venezuela and British Guiana, the claims of Italy against the Republic of Colombia, and various demands by European countries on Spanish-American republics regarding public debts. In all these questions the Monroe Doctrine was reaffirmed in its true character as a defense of America against *European interference*.

As the scope of the Doctrine was extended to South American republics on so many different occasions, it assumed the form of a system of Pan-American protection of the highest moral and idealistic value. Monroeism came to mean continental freedom and civilization. For this reason all Latin-American countries rejoiced in and honored with the greatest enthusiasm the triumphal visit of Elihu Root, Secretary of State, in 1906. All the speeches made by both the Latin Americans and Mr. Root on that occasion went to prove that it was the original conception of Monroeism that inspired the new policy of Pan-Americanism. Monroeism and Pan-Americanism were, indeed, two complementary conceptions that could not be imagined at that time as likely to become antagonistic. Latin America had no grievances against the United States, nor the least reason for misgivings as to the future.

After the independence of Latin Amer-



JAMES MONROE

President of the United States, 1817-25. He formulated the doctrine named after him in 1823

ica was established, the United States was absorbed in its own internal development, and had no other attitude toward Latin America than that of friendship and political sympathy. But by the time President McKinley had been elected, the Colossus of the North had grown in stature and was rich, strong, and abounding in vitality. The American people rejoiced in their increasing prosperity, and when the Spanish-American War came and ended in victory they were strengthened in national spirit and the feeling of national unity. While rapidly accumulating surplus capital was looking for foreign markets and international expansion, Elihu Root's statesmanship pointed to the golden horizon of the Southern Continent. At the Trans-Mississippi Commercial Congress in Kansas City in 1906 he made clear the new direction which the industrial and commercial expansion of the nation should take.

Cuba and Puerto Rico as natural zones of expansion acquired in the Spanish-American War were succeeded by increas-

ing investments in Central America and in every country of South America. Mines, oil, agriculture, roads, bridges, railroads and national loans absorbed hundreds of millions of dollars each year, while commerce with the Southern Continent expanded correspondingly. During the last twenty years the people of the United States have invested in Latin America \$4,210,000,000; trade with the United States has come to be represented by 18.5 per cent. of the total yearly exports of this country.

In the same period, coincidently with this remarkable expansion, the Monroe Doctrine has been corrupted and distorted in such an extraordinary manner that both its interpretation and its application have no connection at all with the policy originally stated by President Monroe. The cause has been the friction and conflict growing out of commercial intercourse, and the result has been that, in order to find a line of solution, the United States Government has made use of the Monroe Doctrine for its own purposes by drawing from it conclusions of the most variable and fantastic character. A study of various cases of the modern interpretation and application of the doctrine in the last twenty years makes it clear that it has been employed in the following ways typical of the new conception which has superseded Monroe's own formulation of his ideas:

(1) In cases of internal political strife or revolution in Latin-American countries the Government of the United States assumes the right to declare which is the constitutional party to be supported by the military and naval power of the United States. (First intervention in Nicaragua, 1912.)

(2) When the conclusion is reached that a Latin-American country is not able to maintain an independent and competent government to keep order and discharge its international obligations, the United States assumes the right to take political and economic control of such country. (Intervention in Haiti, 1915.)

(3) The United States assumes the right to intervene in the political government and economic administration of a debtor nation in Latin America to enforce and

secure the cancellation of public debts. (Santo Domingo, 1916).

(4) The United States Government assumes the right to intervene in the internal affairs of Latin-American countries when, in its opinion, political or economic ideas may endanger the private interests of American citizens. (The controversy with Nicaragua and Mexico now in progress.)

(5) The fixed attitude of the United States that the definition, interpretation and application of the Monroe Doctrine are its exclusive concern.

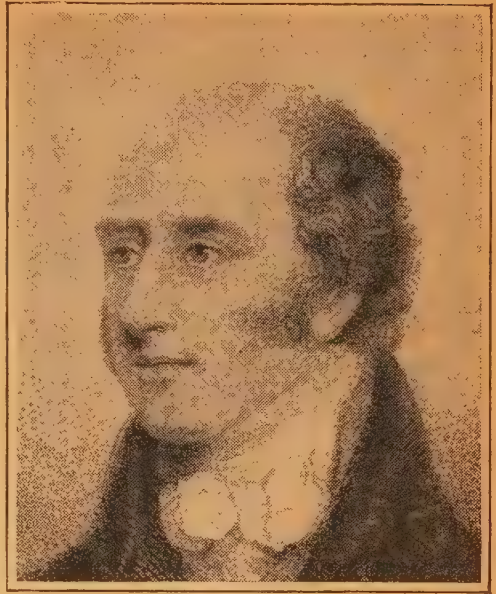
A CHANGED DOCTRINE

These deformations of the Monroe Doctrine have nothing in common with President Monroe's declaration. They lack the essential character of Monroeism—defense against *European* intervention; they destroy the conception of a single continental front against the diplomatic intrigues of the world; they set the South against the North; and they are contradictory to the advice not only of Monroe but of such statesmen as Washington and Quincy Adams, as may be seen from the following words:

The new [Spanish American] States are settling down under governments elective and representative in every branch, similar to our own. In this, their career, however, we have not interfered, believing that *every people have a right to institute for themselves the government which, in their judgment, may suit them best.* (James Monroe, Dec. 7, 1824.)

The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little *political* connections as possible. But even our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by *gentle means* the streams of commerce, *but forcing nothing.* (George Washington, Farewell Address.)

[In reference to the new Spanish American States] *disclaiming alike all right and all intention of interfering* in those concerns which it is the prerogative of their independence to regulate as to them shall seem fit, we hail with joy every indication of their prosperity, of their harmony, of their persevering and inflexible homage to those

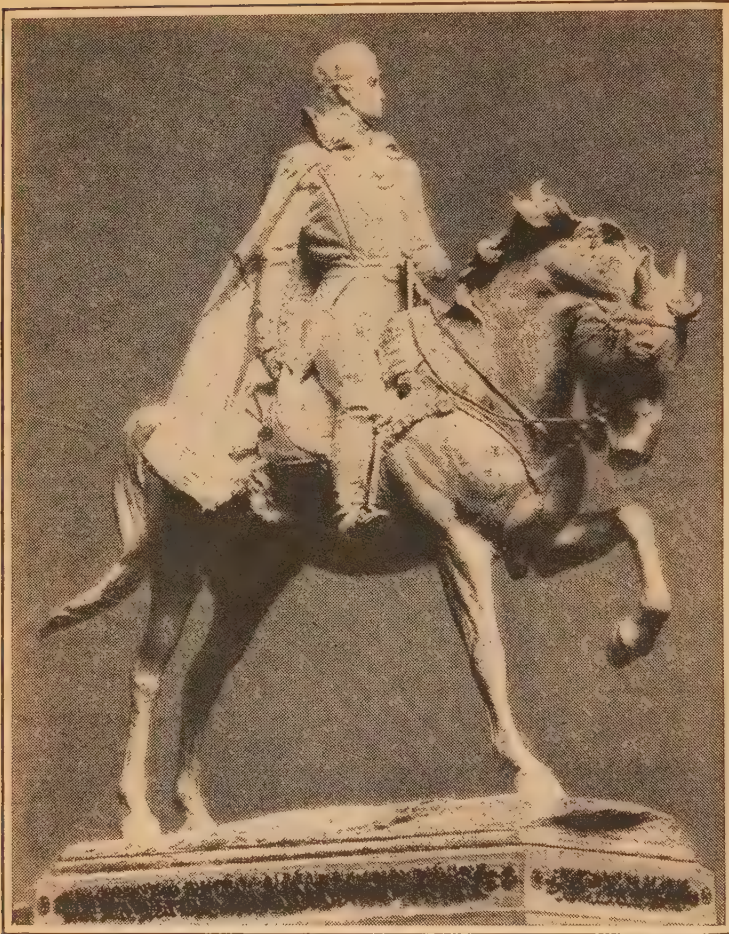


GEORGE CANNING

British Foreign Secretary at the time of the formulation of the Monroe Doctrine and the first to recognize the free States of Spanish America

principles of *freedom and of equal rights* which are alone suited to the genius and temper of the American nations. (John Quincy Adams, Dec. 4, 1827.)

Inaugurated by Secretary of State Blaine in 1889, and developed by the eloquent support of Mr. Root, Pan-Americanism has been growing as a real spiritual and moral bond between American nations on the basis of better understanding and reciprocal aid in behalf of the civilization of the New World. Pan-Americanism endows every nation of the two Americas, no matter what is its size or power, with the same rights as were proclaimed a century and a half ago to the American democracy. Pan-Americanism means freedom for all time from all danger of political or economic imperialism or slavery, not international guardianship or dictation. Pan-Americanism is fraternity and association without privilege or discrimination, without pride of superiority on the one hand and humiliation, fear or anxiety on the other. Pan-Americanism is not a method of propaganda for commercial intercourse; on the contrary, trade should be developed for



EQUESTRIAN STATUE IN NEW YORK CITY OF SIMON BOLIVAR, THE HERO OF SOUTH AMERICAN INDEPENDENCE

the promotion of reciprocal economic interest and international sympathy in behalf of Pan-Americanism. Otherwise, the Pan-American Union, which has its headquarters in Washington, should not exist and its functions would be better absorbed by the United States Chamber of Commerce. Pan-Americanism, with which the old and genuine Monroe Doctrine is in perfect accord, cannot coexist with Monroeism as it is interpreted today.

The fifth reservation made by the United State as an essential condition for its adherence to the Permanent Court of International Justice aggravates the seriousness of the situation. If the World Court cannot even entertain any request for an

advisory opinion touching any dispute or question in which the United States has or claims an interest, without the consent of the United States, no peaceful or honorable way is left to any Latin-American country to settle with the United States international differences that are bound to arise with every new application of the Monroe Doctrine as the United States chooses to interpret it. The United States would be at the same time the claimant and the defendant, the judge to decide the case, the sheriff to apprehend the guilty or the innocent, and the armed jailer or executioner to enforce the penalty without appeal. To save Pan-Americanism from total wreck these suggestions are made:

(1) The United States must return to the original and undistorted doctrine enunciated by President Monroe.

(2) All the nations which form the Pan-American Union must adopt the principle of no political interference between themselves on any excuse whatever. They also must adopt the principle of no military enforcement of agreements or contracts dealing with matters which do not fall within the scope of international law.

(3) Every international conflict between two or more American States must be settled by the World Court.

No other interest must prevail than that of saving the results gained after twenty years' work for Pan-Americanism.

Tragedy of Emperor Maximilian of Mexico

By ALFRED TYRNAUER

Central European Press Correspondent

The following article throws new light on the tragic story of Maximilian, one time Emperor of Mexico, and of his royal consort Carlotta, who recently died in Belgium. It presents some hitherto unknown facts based on original documents of the former Imperial Court in Vienna, which was lately opened for scientific research. The documents were selected by Professor Otto Ernst of Vienna.

THE death of the Empress Carlotta in her Belgian château on Jan. 19, 1927, turned public attention again toward the tragedy of her life and of the ill-starred Mexican Empire over which she and her young husband, Archduke Maximilian of Austria, ruled for a few troubled years. Daughter of Leopold I of Belgium and granddaughter of Louis Philippe of France, she was a beautiful and intelligent girl of 17 when she married Maximilian. Their marriage was ideally happy, and they lived in retirement in the palace of Miramar, until Napoleon III and a delegation of Mexican exiles asked Maximilian to become the head of the proposed Mexican Empire.

Carlotta's ambition is believed to have had much to do with Maximilian's decision to accept the uncertain throne of a country in a state of chronic upheaval. Though she must have been bitterly disappointed by conditions as she found them in Mexico, she labored intelligently and sincerely to make the best of the situation. When affairs reached a hopeless pass, she herself undertook the difficult mission to Napoleon III in hope of enlisting his aid.

The failure of this and of her subsequent desperate appeals to Emperor Franz

Josef and Pope Pius IX, when she realized that her husband's life was at stake, and the final tragedy which swept away her husband and her throne caused a complete mental collapse, and her life from 1866 to her death was spent in seclusion except for occasional visits from her royal relatives, every attempt being made to preserve the illusion that she was still an Empress. She was buried with full military honors, the Belgian Court going into ten weeks' mourning and the Houses of Parliament suspending their sittings. With her passed perhaps the last representative of the imperialistic traditions of the Napoleonic era.

Historical research has hitherto exaggerated the importance of the European factors in the downfall of Maximilian's sham empire. Not the discontent within France, nor the weakness of Napoleon's character, but the veto of the United States was the deciding factor that induced France to abandon Mexico; and the same veto forced the Austrian Empire to recall the troops which were already embarked in the Austrian harbor, Trieste, ready to sail for Mexico. The following secret diplomatic documents prove that the American Government was ready to start war rather than let the neighboring State become again dependent on a European power.

It was obvious from the beginning that the United States would not tolerate the establishment in her neighborhood of a monarchy under the protection and the influence of European powers. This anachronistic scheme could never have been realized had the European Courts not believed that the Civil War, which then rent the American Republic asunder, would per-

manently destroy the Union; and that the new aristocratic régime in Mexico would win an ally in the victorious South against the democratic North committed to the Monroe Doctrine.

Such was the calculation of Napoleon III, who hoped to strengthen his own position in France by the military glory and France's position in Europe by the natural wealth which he expected to get out of Mexico. He sent a well-equipped expeditionary force to pacify the country for a nominal Emperor, made entirely dependent on the French army. (The pretext was to collect debts, which Mexico was unable to pay. By this clever political move he induced England and Spain to join the expedition, but as Napoleon's real plan became clear, the two other Powers withdrew their troops.)

Napoleon—or perhaps his wife, Empress Eugénie—selected for this high although uncertain post the ambitious Austrian Archduke Ferdinand Maximilian, who accepted the flattering title of Emperor, offered him by Napoleon and a political clique of Mexican aristocrats, who sought European support against the radical republican Government of their own country, in order to restore their privileges.

Franz Josef, Emperor of Austria and Maximilian's brother, regarded the Mexican enterprise with sober disapproval. At first he refused his consent; and he gave way to his brother's wish presumably only to get rid of the popular prince whose unsatisfied ambition was to the Emperor a constant source of worry. He decided finally to give Maximilian political, financial and even military support in return for his renunciation of his rights within the House of Habsburg, *i.e.*, his rights of succession to the throne of Austria. Spain gave her nominal support, but England refused to come out openly against the United States, although the London Court did not conceal its sympathy toward Maximilian as well as toward the Southern Confederacy.

Mexico itself was in a state of complete anarchy and exhaustion in consequence of civil wars since the beginning of the nineteenth century. Marshal Bazaine, the commander of the French army, with

his well-equipped, regularly paid and disciplined army, won an easy victory over the ragged bands of discordant generals, who had but primitive means with which to fight and no money with which to pay their soldiers.

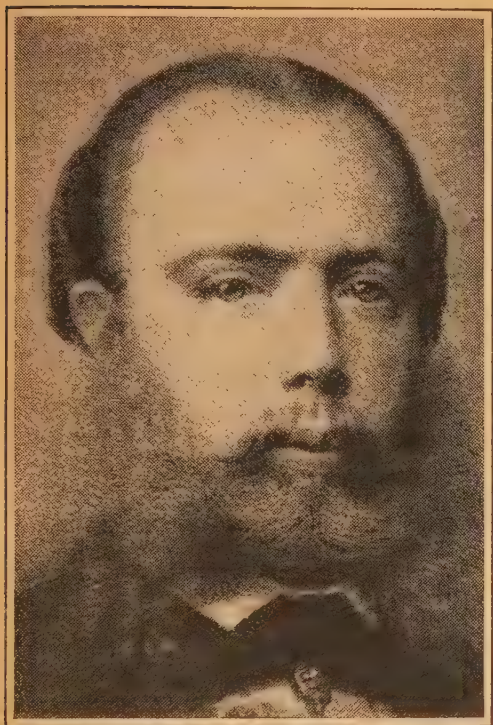
Nevertheless, when Maximilian arrived in Mexico (in May, 1864) on board the *Novara*—the same Austrian vessel which three years later carried back his body to Trieste—the fate of the American Civil War and consequently that of the Mexican Empire was already decided. But Maximilian was blinded by the parades, festivities and flattery of the monarchists and he, as well as Napoleon, did not believe in what he did not desire: the final victory of the North. The basis of his empire was the French troops, numbering about 40,000, which were supported by smaller Austrian and Belgian contingents (about 6,000) and by some unreliable Mexican "Imperial" troops. These were pitted against the forces of Juarez and other Republican leaders.

UNITED STATES COMPELS NEUTRALITY

The United States followed an official policy of neutrality toward Mexico (although unofficially it supported the republican leader Juarez, who was allowed to obtain arms in the United States), and it demanded also strict neutrality on the part of the European powers. And as the republican North triumphed over the South, and regained its capacity to act in foreign matters, Napoleon was informed that the United States was determined to enforce neutrality.

Austrian diplomacy found itself in a precarious situation in the Mexican affair. The standpoint of the Vienna Government was, that officially Mexico did not concern Austria at all. Moreover, the two courts were not on the best terms, because of the strained relations between the two imperial brothers. Yet Maximilian was a Habsburg prince, and the prestige of the imperial family demanded the preservation of the prestige of its members.

The Austrian Ambassador in Washington, Baron Wydenbruck, gathered all his intellectual faculties to satisfy simultaneously the interest of the imperial



THE EMPEROR MAXIMILIAN OF MEXICO

house, the court and the State. On Jan. 13, 1866, he reported to the Austrian Minister of Foreign Affairs, Count Mensdorff-Pouilly, that official overtures had been made to the American Congress regarding recognition of the Mexican Empire by the United States. The President refused to receive the Ambassador sent to Washington by Maximilian, asserting that "it is against the principles of the United States to enter into any private or official relation with the revolutionary representatives of such countries, of which the sovereign authorities are on friendly diplomatic terms with the United States." This was a heavy blow. The ragged Indian, Juarez, was recognized as the "sovereign authority" and the Emperor Maximilian, a prince of royal blood, was classed as a revolutionist! At the same time Mr. Seward, then American Secretary of State, declared that he refused the proposal of Napoleon to recall the French troops from Mexico if the United States would recognize the Mexican Empire. Seward also

remarked that this affair might alienate the long-standing friendship between France and the United States. "The Congress," continued Baron Wydenbruck, "seizes all opportunities to manifest its hostile feelings toward his Majesty Emperor Maximilian, and does so sometimes with expressions, which, as I strongly feel, lack the respect due to the person who is the brother of our august Sovereign. Indeed, it seems to me that the [American] public, as well as the press and the Government officials, incline recently to identify Austria with the Mexican question, which tendency is supported by the news that recruiting is going on in our Empire for Mexico, which is generally called here the Austro-French monarchy."

A month later, on Feb. 13 [1866], the Viennese Foreign Office instructed Baron Wydenbruck to make it known in Washington that the official disinterestedness of the imperial Austrian Government "does not interfere with the legitimate sympathy of the Emperor Franz Josef toward Maximilian's fate." Baron Wydenbruck should use every opportunity to disclose this attitude to the American Government. But on the very day when this instruction was sent out from Vienna the American attitude was disclosed in Washington with much more undiplomatic plainness. This we learn from Baron Wydenbruck's report of Feb. 13, 1866:

Your Excellency will certainly remember that in my report of the 13th of the last month I had the honor to describe the hostile attitude of the [American] Congress towards His Majesty, the Emperor Maximilian. Today I have the painful duty to report to Your Excellency an analogous incident, but one of a far graver nature.

A short time ago, Feb. 12 (that is yesterday), was fixed by the Senate as the memorial day in honor of the late President Lincoln. This solemnity was celebrated with the greatest possible splendor. The President of the United States, the Cabinet, the high officials of the State and the élite of the population participated. The foreign ambassadors, who received special invitations from the official heads of the Senate and of the Second Chamber, as well as from the Secretary of State, occupied the seats opposite to the tribune. The orator chosen by the Senate to eulogize Mr. Lincoln was

Mr. Bancroft, former American Ambassador in London and subsequently Secretary of the Navy.

Mr. Bancroft, in a speech which seemed more like a review of recent political events than a panegyric of the late President, and in which he deemed it necessary to address sarcastic and bitter reproaches to those Governments whose representatives had been invited there, touched upon the Mexican question. I could scarcely believe my own ears, when I heard the speaker * * * several times call His Majesty, the Emperor of Mexico, first "the Austrian adventurer" and then "the adventurer Maximilian." Startled by the brutality of these terms, I was on the point of rising and leaving the hall. I did not do so only in view of the solemnity of the occasion and of the presence of the President of the United States.

Although I was resolved to make immediate protest because of the insult committed against the person of an august member of our imperial family, I thought it expedient to postpone this step until the next day, hoping that the President of the Senate or the Secretary of State would take the initiative and express their regret and disapproval of this occurrence. A few hours later I partook of a dinner given by the Prussian envoy, to whom I expressed my perplexity over the incident in the Senate. Mr. Seward was also among the guests. One moment before leaving the table Baron de Gerold (the Prussian envoy) came to me and persuaded me to occupy his seat beside the Secretary of State, to whom, as he said, he had mentioned my impression caused by the words of Mr. Bancroft. I was forced to accept his invitation and to talk to Mr. Seward about this matter. We were left alone. I commenced to tell him how painfully I was affected by the offensive expressions of Mr. Bancroft against the brother of my Sovereign. Mr. Seward quickly interrupted me, declaring that I had no right to complain of whatever had been said of the *Archduke* Maximilian, as the Viennese Government had declared its complete disinterestedness in Mexican affairs. I answered: "Yes, politically, but this abstention of my Government does not change the position of *Emperor* Maximilian, as a member of the Imperial family; and the Austrian Ambassador is entitled to protest against every insult against his person." The conversation lasted a few more minutes, remaining within this circle of ideas; and I must add with regret that Mr. Seward did not find one al-

leviating word; on the contrary, he seemed to approve of the conduct of Mr. Bancroft. He concluded in a most uncivil manner, saying: "I have nothing to do with the affair and Maximilian must quit Mexico." As I perceived the tone Mr. Seward used I dropped the subject.

It is obvious that Seward and Bancroft deliberately and in full accord engineered this incident to make clear their standpoint toward the ambiguity of the Austrian policy. The underlying factor, not the pretext, under which Austria supported Maximilian interested the United States and was attacked by it. But the Austrian diplomat saw nothing except the lack of *savoir vivre* (polished manners) and gross disrespect toward one of the most powerful dynasties of the world. The Viennese Foreign Office expressed the same opinion, rebuked in its answer to Wydenbruck the "rudeness" of Bancroft, and declared that America was not to be taken seriously. It had no court manners. Not even the most august sovereign, his Majesty Franz Josef I, was treated always with due respect in the United States, and his Majesty magnanimously pardoned this, too.

AUSTRIAN RECRUITMENTS RAISE STORM

Shortly afterward the withdrawal of the French troops became a certainty, and the three courts planned to replace them with Austrian soldiers. When Napoleon III saw that the United States was resolved to enforce the Monroe Doctrine, he preferred to abandon Mexico "voluntarily" and informed Maximilian of this intention. Nevertheless, he tried to find a way to enable Maximilian to maintain his "empire," perhaps because he hoped that it would be possible to resume the Mexican enterprise later on. Napoleon wrote to Maximilian before he decided to evacuate Mexico as follows:

I should like to point out to your Majesty the advantage which could be derived if your Majesty would organize a real army of Austrian troops. Then I could withdraw the greater part of my troops and *the American protest would lose its force.* * * * I request your Majesty to consider this possibility thoroughly; as for me, I see in this combination the best chance to strengthen your throne.



THE EMPRESS CARLOTTA

Her recent death has recalled the tragic death of her husband, the Emperor Maximilian of Mexico

A few months later a considerable number of "volunteers" recruited in Austria were embarked in Trieste for Mexico, and the Government of the United States found new grounds to protest. It did even more than protest. Baron Wydenbruck wrote on April 25, 1866, as follows:

Before the present report arrives in Vienna, your Excellency will be undoubtedly informed by Mr. Motley (the Ambassador of the United States in Vienna) of the unexpected phase into which the relations between our country and the United States have entered, because of the Austrian enrolments for Mexico. *In the European mail of yesterday Mr. Seward sent an order to Mr. Motley to demand his passports the moment the first ship leaves the port with*

troops for Mexico, and to notify the imperial Government that I receive my passports, also when this news arrives here.

In the evening of the same day (that is, yesterday evening) Mr. Seward declared himself in the presence of several persons literally in the same sense. One of the persons to whom I owe this communication added that the scornful frivolity of the tone with which Mr. Seward expressed himself, particularly in addressing Mr. Romero, the agent of Juarez, formed a singular contrast to the gravity of the subject, wherein nothing less is at stake than political rupture with one of the greatest Powers of Europe.

For several months I have not failed to keep your Excellency well informed about the tendency of the public sentiment to regard Austria as an enemy in the Mexican question. But I must confess that I was far from being prepared for the violence with which the Federal Government has acted in this matter: a violence which contrasts strangely with the prudence and reserve deemed necessary when negotiating the same question with France. France, however, in the eyes of this country by reason of her proximity and her strong navy, is an enemy much more formidable than Austria—an essentially continental power.

This sudden change in the attitude of the Washington Government must be attributed to several causes. The first of these (as I had the honor to inform you in my last report) is the encouragement which they won from the recent concessions made by France to the demands of the American Government. These concessions are interpreted here in a most flattering sense, as a proof of the irresistible power of the United States. On the other hand, the conflict between the Government and the Congress, as well as the growing unpopularity of the President and the Secretary of State, induce them to make an effort to divert public attention from internal affairs and to regain popular favor by making some great political demonstration. Finally, the imminence of the Prussian war, which—this I can positively assert—has been greeted in advance with the greatest satisfaction by Mr. Seward, and which is limiting the liberty of action of Austria, seems to offer the occasion for which he has long been looking.

The arrogant behavior of Mr. Seward excludes all possibilities of negotiation over the present question, and I must wait until I receive my passports, if your Excellency does not give me in time an order to de-

mand them myself, so as to spare the envoy of Austria from the humiliation which menaces him now.

Not the envoy, but Austria was humiliated. She accepted the ultimatum and complied with the demands.

EMPEROR'S ABDICATION

France being unwilling and Austria unable to support Maximilian against the wish of the United States, the days of his Empire were numbered. Marshal Bazaine abandoned one garrison after the other and concentrated the French troops in the capital, where he made preparations to leave Mexico. Wherever the French soldiers left, the republican troops entered. And before the year 1866 ended, even the ill-advised and romantic Maximilian had to admit that his position had become hopeless. He decided to abdicate. Thus the United States won its first great victory over European Continental powers.

The following months brought the tragedy of the dreamer-prince to a logical end.

Although his abdication was already an acknowledged necessity and the United States had already sent as envoys to the Government of Juarez, Mr. Campbell and General Sherman, who were to take over the American Embassy with the help of the French authorities in Mexico, Maximilian changed his mind, decided not to abdicate, turned against Napoleon, reorganized his own troops and conquered the city of Zacatecas. He was captured after a siege on May 15, while attempting to escape through the enemy's lines, and after a court-martial was shot on June 19, 1867. Napoleon III and Franz Josef washed their hands of the whole affair. In London society they made the bon mot: "Maximilian was an Arch-dupe." The recent death of Maximilian's royal consort, Charlotte, who went insane after vain efforts to obtain aid from the European courts to save her Emperor-husband's life while a spark of hope still remained, completes the tragic cycle of Maximilian's ill-starred Empire in Mexico.

VIENNA, AUSTRIA.



Irish Free State's Five Years of Progress

I. Political Development

By ST. NIHAL SINGH

Traveling correspondent for newspapers in India and America; author of many books on British imperial questions and other subjects; special investigator in Ireland

WITHIN five years of coming into being the Irish Free State has managed to cast off such vestiges of vassalage as remained after the Anglo-Irish Treaty went into effect early in 1922. The British Government agreed, at the Imperial Conference of 1926, to expunge the term "United Kingdom" from the King's title, and to substitute a Viceroy in place of the Governor-General in Dublin.

Thus are silenced the controversies which have raged for 126 years—ever since "Union" was forced upon Ireland. The Anglo-Irish Treaty concluded on Dec. 6, 1921, upon which the Free State Constitution is based, had already ended that "Union" so far as the twenty-six Irish counties incorporated in the Free State were concerned. The form had, however, survived. Through omission, intentional or otherwise, the title of the King continued to read "George V of the United Kingdom of Great Britain and Ireland," as if the Free State had not actually come out of the "United Kingdom." The manner in which that title is about to be altered will in effect, enable Irishmen thereafter to claim that they have a King of their own. What matters it if the King of Ireland and the King of Great Britain are the same personage, so long as Irish sentiment is satisfied? The giving of a multiple personality to the Sovereign to please the self-governing Dominions does not, on the other hand, render him any the less useful as a link between the various units of the British Commonwealth of Nations. The King, in his Irish aspect, is to be represented at Dublin by a Viceroy, who in reality will be but the "shadow of a shadow," for under the British Constitution the King only reigns; he does not rule. The Governor-General, who is to disappear, was an agent of the supreme execu-

tive authority in the British Empire, and it was not difficult to assign to him the rôle of over-lord. It may be presumed that in the future the Irish Viceroy will not only be *persona grata* to his Irish Ministers, but that he may actually be appointed at their suggestion, that is to say, Irishmen may, in fact, have a hand in his selection.

The changes in form and phraseology agreed to at the last Imperial Conference took away from the Free State all symbols of subordination. The formulas framed for recognizing the Free State's equality with Great Britain, and confirming its right to appoint and to maintain agents in foreign countries and to negotiate certain treaties with them, emphasize still more the fact that it is master in its own household. These developments are important because of their reaction on the internal situation in the Free State. The conclusion of the treaty split the Sinn Féin forces, and culminated a few months later in a fratricidal struggle. Though open warfare broke down before the end of 1923, a considerable section of the people remained unreconciled. That section has lost the opportunity to utilize forms which appeared to detract from the self-governing character of the Free State to attack the men at the helm; and those men have been driven, in self-defense, to emphasize the Free State's separate entity in every possible manner.

On Jan. 16, 1921, when the Provisional Government took over Dublin Castle, for centuries the nerve-centre of British activities in Ireland, the green flag associated with the revolutionary movement was hoisted upon the flagpole from which the Union Jack had flown ever since the "Union." Soon after a thick coat of green was painted over the letter boxes and mail

carts which used to be red; the name of the new State was surprinted in heavy type over the King's effigy on postage stamps, and traditional Irish designs substituted a little later in place of that effigy. A customs barrier was set up in 1923 against Great Britain and Northern Ireland, as well as foreign countries. Commissions given to army officers were issued in the name of the President of the Executive Council, not of the King, whose title to be the nominal head of the Free State army was not admitted. An Irish Minister Plenipotentiary (Professor Timothy Smiddy) was appointed to take up his post at Washington, D. C., in October, 1924. Names given by the British to Irish towns and institutions were Gaelicized. Irish was made the national language, and was used even at the session of the League of Nations when the Free State was admitted to membership. Despite British claims that the Anglo-Irish Treaty recorded only a domestic agreement, it was registered with the League. At present silver and copper coins are being minted, and the designs will still further emphasize the separateness of the Free State. Absorption in such matters, more or less sentimental in nature, has not, however, prevented the Free State author-

ities from making solid progress. Among the issues left outstanding by the treaty the most serious have been adjusted.

BOUNDARY SETTLEMENT

After four years of suspense and much alarmist talk a settlement respecting the frontier with Northern Ireland was reached in December, 1925. Territorially the Free State neither gained nor lost, but she made an advantageous financial bargain with Great Britain which relieved her of the obligation to pay a single penny toward the public debt incurred during the period of the "Union," or toward the military pensions payable as the result of the World War. The responsibility which she consented to assume related to advances made for the purpose of tenancies, claims in respect of certain damage done to property during the period of armed conflict, and pensions payable to servants of the Crown whom she dismissed.

The Irish act of 1921 had provided for a council for the administration of affairs common to both parts of Ireland. It had never been brought into operation, but it was an essential part of the law under which Northern Ireland had been constituted and functioned, and, therefore, could be made effective at Great Britain's will. The consent of the Free State to the annulment of that provision in addition to the acceptance of the *status quo* in respect of the boundary, therefore, paved the way for conciliation. Already, where there used to be suspicion, ill-will and friction, the two Irish Governments are showing signs of voluntary cooperation in matters of common concern.

Only two issues of comparatively minor importance remain unadjusted between the Free State and Great Britain. As provided in the Anglo-Irish Treaty the British remained in possession of certain important harbor defenses in the Free State. The Free State was, at the same time, debarred for the first five years of her existence from bearing any responsibility for coastal defense. No steps appear to be contemplated regarding the withdrawal of the British from Cobh (Queenstown) and other similar harbor works; but, as stipulated in the agreement, the Free State is entitled to "a share in her own coastal de-



MAP OF THE IRISH FREE STATE

fense" as determined by "a conference of Representatives of the British and Irish Governments" to be held after Dec. 6, 1926.

Relieved of all the major external problems, the men in power in the Free State can now devote their energies to internal progress. They are no longer raw and untried, as they were five years ago when they received from the outgoing régime a country torn and bleeding, a police system virtually destroyed, courts able to function only in the shadow of the machine gun, communications disorganized and an administration denuded of authority by protracted rebellion and terrorism. With no equipment other than common sense—for most of them were petty clerks and schoolmasters lacking college education—these Irishmen, for a part of the time with civil war raging, have had to evolve order out of chaos, to give security to life and property, meet the ends of justice and reweave the fabric of every peaceful avocation.

The working of the Constitution affords a good test of what they have achieved. Hammered out amid the distractions and dangers of the rebellion, the draft on which the Constitution was largely based was the work of inexperienced men aided by others even more inexperienced. Yet they managed to devise an instrument containing all the formulas upon which the British insisted, such as those compelling Irishmen to pledge themselves to "be faithful" to the King before they took their seats in the Legislature, investing the Sovereign with power to veto legislation and making him the keystone of the Free State executive system. Provisions were, however, judiciously introduced here and there converting these clauses into mere legal fictions, and making the people of the Free State the real arbiters of their destiny.

At the end of five years the fear has proved groundless that Great Britain might interfere with the Free State administration. The Governor-General has opened and prorogued the *Oireachtas* (Congress), but the date of opening it has been determined by the *Dail* (House of Representatives), while each prorogation was in accord with its will. He has read the speech from the Throne, but the words were put into his mouth by the Executive Council of



Wide World Photos.

WILLIAM T. COSGRAVE
President of the Irish Free State

the Free State, which is responsible to the *Dail*. In the King's name he has assented to the laws passed by the *Oireachtas*, but an automatic machine could not have registered such assent more unquestioningly. He has made important executive and judicial appointments, but he has had neither hand nor voice in choosing the men who were the nominees of the Executive Council. Only in one matter can the Governor-General be said to have given public expression to his own opinion on a matter of policy. This was Mr. Healy's reference to the continued absence from the *Dail* of the anti-treaty party. The President of the Executive Council lost no time in censuring the Governor-General, and the censure reflected the people's temper.

JUDICIAL SUPREMACY

The British have not even taken advantage of the single loophole left in the Free State Constitution to interfere with the

administration of affairs. Article 66 gave the Supreme Court in Dublin control over justice, without in any way impairing the "right of any person to petition his Majesty for special leave to appeal from the Supreme Court to his Majesty in Council or the right of his Majesty to grant such leave." In other words, the King was left the discretion to intervene through the instrumentality of the Judicial Committee of the Privy Council, and, if necessary, to overrule the highest authority in the Free State.

Lord Haldane, who presided over that committee when the first application for leave to appeal was heard, pointed out that in view of both its composition and its functions that body was not British, but Imperial. With the entire concurrence of his judicial colleagues he gave a ruling that would restrict appeals so as to make the Supreme Court in the Free State as self-sufficing as the similar court in South Africa, where the bulk of the white population is not of British stock, was recently at war with Britain, and is, therefore, peculiarly sensitive in matters pertaining to sovereignty.

Although the Constitution has made the Irish supreme in the Free State, it may be questioned whether the *Dail* has functioned with the vigor that could have reasonably been expected. Since approximately one-third of its members (48 out of 153, all elected by proportional representation on the basis of adult suffrage) refused to take their seats on the plea of their inability to subscribe to the oath to the King, the Opposition has been hopelessly outnumbered. Despite dialectical skill, good leadership and courage, it has, in consequence, proved ineffective. Revolts within the ranks of the Government party have more than once assumed a threatening character, but so far the Executive Council has been left master of the Chamber.

Nor has the purpose of a dual form of government been realized. Certain Ministers were left outside the Executive Council, which was made collectively responsible to the *Dail*, so that the *Dail*, which chose them individually and to which they were individually and exclusively responsible, might recruit one or more of them from outside the ranks of the Government

party, thus giving representation, within the Government, to one or more sections of the Opposition. Not one of the *Dail* committees of selection appointed under the Constitution has, however, seen fit to go outside the dominant party in choosing a single "Extern" Minister, and the *Dail*, as a body, has readily acquiesced when the nominations came up for consideration. A larger and stronger Opposition might have made some difference in that respect.

The provision (Article 45) "for the establishment of functional or vocational councils representing branches of the social and economic life of the nation," incorporated in the Constitution, has so far remained the expression of a pious opinion. The Article (48) providing for "initiation by the people of proposals for law" and giving them, through the referendum, the power to enforce their will in respect of such proposals, too, has remained inoperative.

CHANGING SENATE

The *Seanad* (Senate) also has not shown much vitality, though it is composed of fifty-nine men and women of mature age (all above 35), each of whom has "done honor to the nation by reason of useful public service" or has "special qualifications or attainments" to represent "some important aspect of the nation's life." It has engaged in skirmishes with the Executive Council. On occasion it appeared that it would clash with the *Dail* over matters vitally affecting the minority, still differing in faith from the majority though no longer "Union"-ist in politics, since it was for the benefit of that minority that the Senate was created. Superior in respect of birth and education though individual *Seanadori* (Senators) may regard themselves, they know that the *Teachtai* (Representatives) have exclusive control over the public purse, and that they can make their will prevail even in respect of non-money legislation. However, the character of the *Seanad* is changing, for already the term of office of some of the nominated members has ended, and they have had to depart unless they were successful in winning the good-will of the voters (above 35 years of age) in the entire country, which, for Senatorial elec-

tions, constitutes a single constituency. Within seven years this Chamber will be wholly elective. Its appeal to the people will then be different and the people will be that much further removed from the era of Anglo-Irish and internecine conflict. Time alone can tell, however, whether the elected *Seanad* will be content to remain in a position of distinct inferiority compared with the *Dail*, or will try to enhance its powers through the amendment of the Constitution.

The Free State authorities are at present seeking to amend the Constitution in four respects:

(1) The Legislature is being asked to empower the President to invite, at his discretion, eleven Ministers to join the Executive Council. If that power is given to him and he exercises it, it will mean that the full membership of the Executive Council will be increased from seven to twelve. Through that device the extinction of "Extern" Ministers may be brought about and the dual type of government abolished.

(2) It is proposed to prolong the existence of the *Dail* to six years. At present it automatically comes to an end at the termination of four years, unless it is previously dissolved.

(3) A third proposed constitutional amendment seeks to do away with the provision under which the polling day must be declared a general holiday.

(4) It is also proposed to take the presiding officer of the *Dail*, officially termed the *Caenn Comhairle* (Speaker), out of party politics by inserting a provision in the Constitution under which the outgoing Speaker shall be returned automatically at a general election and cease to represent a constituency. Since election as Speaker virtually deprives his constituency of a representative, this proposal, if adopted in the form in which it has passed the committee stage, will remove a defect common to many parliamentary systems.

Article 50 gives the *Oireachtas* until 1930 competence to revise the laws through the ordinary legislative machinery, so that it goes without saying that the Executive Council will realize its wishes in these matters.

President Cosgrave and his colleagues enjoy the prestige acquired by men who show courage and wisdom in grappling with grave and parlous problems while their opponents are discussing freedom in the abstract and quibbling over legal terminology. By executive action, reinforced whenever necessary by legislative enactment, they have given security to life and property such as the Free State has not enjoyed for years. They have abolished jobbery in the civil service and freed justice from the taint of executive manipulation. Altogether the political record of the Irish Free State during its first five years of existence is an excellent one.

II. Economic Advancement

By GLENN A. BLACKBURN

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TO estimate how the Irish Free State has developed since it came into being, it is necessary to consider, not only its political evolution, but also what has been achieved in the economic, social and cultural fields.

During the last fifteen years the population of Ireland has declined largely because of emigration which has been induced by general economic discontent and, more especially, by disapproval of the revolution or despair of a successful outcome. In 1911 there were 4,390,219 souls

on the entire island, and in 1926, according to official statements, there were 4,250,000. Perhaps nearly half of that number of native Irishmen live abroad, principally in the United States and Great Britain.

The Gaelic language, according to a recent report by General Richard Mulcahy, is rapidly disappearing. Only one person out of eight can speak it, and not one secondary school uses the language in classroom instruction. It is said to be so difficult to learn that only natives possess any fluency in speaking the tongue. It is sig-

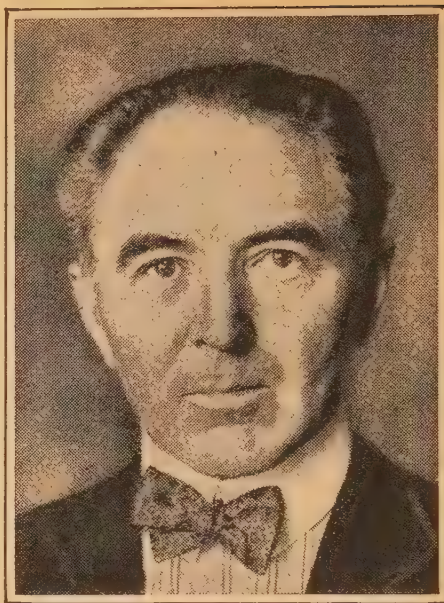
nificant to observe that in the debates in the *Dail* on the approval of the Treaty of 1921 de Valera and other protagonists of Irish culture often began their speeches in Gaelic and invariably lapsed into English, partly because the auditors were not acquainted with the language, and partly because of inability to use the tongue fluently. Both reasons for the use of English were equally significant. The universal employment of English in all commercial and legal intercourse foretells the ultimate extinction of a picturesque speech.

Early failure to balance the budget of the Free State is sometimes cited by enemies of the new Government as proof of the incompetence of the Irish to govern themselves, but a study of the nature of the income and outgo does not warrant such a conclusion. The budget for 1925-26 was easily balanced. The following is a summary of the income and expenditures for the first four fiscal years of the new Government:

April 1.	Revenues.	Expenditures.	Deficit.
1922-23 ...	£27,863,000	£29,596,000	£1,733,000
1923-24 ...	26,096,000	42,217,000	16,121,000
1924-25 ...	27,687,000	36,846,000	9,159,000
1925-26			
(estimate)	26,595,110	22,582,622	*4,012,488
	*Surplus.		

The annual deficits have been caused by the heavy payment of compensation claims to British subjects for property damages sustained during the civil war and for extraordinary army establishments incident to the Republican warfare of 1922-23. In 1922-23, £10,070,000 was paid in claims for damages done to property of Crown supporters; in 1923-24, £10,385,000; in 1924-25, £7,333,000. However, by the treaty of Dec. 5, 1925, at the same time that the boundary controversy was settled, all liability for such claims was funded on a sixty-year basis, with annual payments of £250,000 and interest at 4¾ per cent. This obligation was assumed in return for exempting the Free State from its share in the Empire debt.

The unusual burden of military establishments incident to the Republican warfare cost the Government £7,512,000 in 1922-23; £10,664,510 in 1923-24, and £3,927,145 in 1924-25. Taking the year



Wide World Photos.

TIMOTHY SMIDDY

The Minister Plenipotentiary of the Irish Free State to the United States

1923-24 as an example, the two items of compensation for destroyed property and extraordinary army establishments total over £21,000,000, which exceeds the budget deficit by £5,000,000. With the coming of internal peace and enormous reductions in army expenses, together with the advantageous funding of the British claims, the Free State Government was able to propose a budget for 1925-26 with expenditures over £4,000,000 less than the regular income, and it was possible to effect a 20 per cent. reduction of the income tax, abolition of duties on coffee, tea and cocoa, and a decrease in the tax on sugar from 2¾ pence to one penny (2 cents). Part of these reductions were compensated for by two distinctly protective measures, a 15 per cent. duty on clothing and a 33 1-3 per cent. duty on wooden furniture, both of which were expected to aid these struggling industries to recapture their old markets. Recent official reports indicate that, in spite of these tax adjustments, at the end of the fiscal year ended April 1, 1926, the total income exceeded expenditures by over £2,000,000. The Free State deserves praise for this achievement.

The confidence of the people is shown by the fact that in the Summer of 1923 a £10,000,000 domestic loan was oversubscribed in ten days in spite of the determined obstruction of the Republicans. In addition, foreign investments in the Free State are on the increase, and unemployment is said to be no more serious than in Great Britain. During the period from 1913 to 1924 bank deposits increased to a greater extent in Ireland than in most other countries. In the condition of industries, however, there has been a slight downward movement. For example, in the bacon curing trade there has been a slight falling off both in quantity and market receipts. The yearly average of production for the years 1911-1914 was 1,282,126 animals; in 1923, 951,295; in 1924, 1,116,134; and in 1925, 915,385. In the fishing trade the average catch for the years 1908-1913 was 918,891 cwt.; the quantity dropped to 308,457 cwt. in 1924 and rose to 585,304 cwt. in 1925. In the latter year the value of the catch was £409,653 as compared to £307,705 for the period from 1908 to 1913.

IMPORTS AND EXPORTS

In practically all branches of the import and export trade there was a slight falling off from the 1924 figures, although the importation of manufactured articles did not fall to the same extent as foodstuffs, owing to the purchase of improved machinery, farm equipment and building materials—a feature which is not discouraging because such commodities are needed by an impoverished country which is on the road to recovery.

President Cosgrave has negotiated for all Dominion preferences and has been able to impose a frankly protective tariff on several articles. Economic recovery has been somewhat retarded by the very low crop production for the years 1922, 1923 and 1924. The last two crops have been much better. Nevertheless it is not yet time for much improvement, because the former scarcity of feed has caused a close selling off of farm animals and a consequent reduction of the number of breeding stock. The decline in exports of live stock is shown by the following statement:

EXPORTS OF LIVE STOCK.

	1924.	1925.
	Jan.-Sept.	Jan.-Sept.
Cattle	£11,781,618	£8,426,097
Sheep	1,384,052	993,222
Pigs	772,428	282,820

A new industry started in the Fall of 1926 was the production of beet sugar. Factories are now being constructed each having an ultimate annual capacity of 10,000 tons of sugar. A bounty is paid by the Government on each hundred pounds of sugar produced.

The persistence of an unfavorable balance of trade, which amounted to nearly £18,000,000 in 1925, does not appear at all serious when the entire trade, visible and invisible, is considered, for then the balance is only about £8,000,000. The following analysis of foreign trade for the year ended April 1, 1925, is adapted from the *Irish Trade Journal* of March, 1926:

EXPORTS.

Visible....	£48,838,000—Commodities.
Invisible..	11,000,000—Income from foreign investments.
“ ..	2,250,000—Emigrants’ remittances.
“ ..	2,347,000—War pensions paid by England.
“ ..	2,403,000—Postal balance, commission earnings, freight and harbor dues, &c.
Total...	£66,838,000

IMPORTS.

Visible....	£66,992,000—Commodities for domestic consumption.
Invisible..	3,340,000—Profits paid on foreign investments.
“ ..	1,322,000—Pensions to Irish Royal Constabulary.
“ ..	2,982,000—Land purchase annuities, local loan funds, &c.
Total...	£74,636,000
Balance of total trade,	£7,798,000.

This approximate equalization of exports and imports is not disturbing in view of the fact that only two European countries have a favorable balance of trade. On this point the *Irish Trade Journal* (March,

1926, page 112) says: "In part the 'adverse' balance of the past few years may have been due to the increased importations resulting from the starting of tobacco and other factories in the Irish Free State. The net effects of foreign investments is to widen the gap between the values of imports and exports by something approaching the amount of the sum invested."

FAVORABLE FOREIGN TRADE

Compared with other countries the per capita foreign trade of the Free State is distinctly favorable when one considers that Southern Ireland is largely agricultural, as is shown by the following table of the foreign trade (of goods intended for domestic consumption) per head of population:

Country.	Year.	£	s.	d.
Netherlands	1923	39	6	0
Norway	1923	28	11	0
Austria	1923	19	10	0
Belgium	1924	30	16	0
Switzerland	1924	40	13	0
United States	1924	15	9	0
Great Britain	1924	43	10	0
Irish Free State	1924	37	8	0

Another basis for decisive judgment of the success of the Irish Free State is provided by an examination of constructive social legislation enacted since 1922. For eight hundred years the Irish have believed that the English were solely responsible for their miseries; and by their constant and vehement demands for autonomy they had somehow made themselves believe that all their economic ills would miraculously cease the very moment that independence was achieved. On the other hand, they have found that their new independence simply freed the British from all responsibility for all the old accumulations of economic and religious ills, and transferred in addition the suicidal task of whipping into submission their former comrades who would not accept the treaty settlement of 1921.

After the Republican resistance was broken in 1923 the Free State leaders for the first time turned their attention to domestic reform. The most pressing problem was that of land ownership. The

small size of holdings, insecure tenure for the renter and lack of capital bore hard upon the farming industry; while the lot of the landless agricultural laborer was still more miserable. Crop failures and unproductivity because of the terrible civil wars had impoverished the peasants almost beyond recovery. The Land act of 1923 provided that rents in arrears before 1920 were to be remitted, and all arrears since that date were to be discounted at 25 per cent. Tenants are now assisted in the acquisition of farms through the purchase from the Government of land bonds, which are paid for over a period of fifteen years. The acute housing shortage in both town and country was met by the acts of 1922, 1924 and 1925, which give free grants up to £200 and the loan of an equal amount to private home builders; and still more relief was felt in the cities when the Government built hundreds of dwellings and rented them to laborers.

Judicious expansion of business has been encouraged by the Trade Loans act of 1924, which places at the disposal of bankers the sum of £300,000 to be lent to any safe industrial enterprise, and in addition guarantees loans upon private funds of the banks.

Amalgamation of all the railways with the exception of one short line has made possible reductions of from 12 to 15 per cent. in rates, and has encouraged industries generally. The development of extensive transport and drainage canals is under consideration, while the Shannon hydroelectric scheme is progressing.

Elementary education has been stimulated by the central Government paying all salaries of teachers and one-third of the cost of erection or improvement of buildings. The last three years has witnessed a great increase in public school attendance. There are now 5,659 schools with 13,500 teachers and 547,648 pupils.

The Local Government act of 1924 abolished the old Rural Council, giving the functions of that body to the more efficient and responsible County Council. The old workhouse system of poor relief has been replaced by the small county home plan; and county boards of health and county hospitals have been established everywhere.

Separate Communities for Negroes

Two Points of View

I. The Causes of Segregation

By KELLY MILLER

Howard University, Washington, D. C.

RESIDENTIAL segregation is the acute phase of the negro problem at the present time. Our large cities are being dotted with black wards and white wards, which the politician knows as well as the seaman knows the depths and shallows of the sea. Public discussion of the race problem for the past decade has been all but exclusively concerned with the Northern migration and the issues leading up to and flowing from that movement. The rapid shifting of the negro population from the agricultural regions to the industrial centres was but an incident of the World War, which has been prolonged by the restrictive policy adopted affecting foreign immigration. The immediate motive of the movement must clearly be attributed to industrial attractiveness and economic allurements. It became seriously complicated by agitation for political rights and civic equality. At one time this movement threatened to assume the proportion of a hysterical heira shifting the gravamen of the race problem from the South to the North. But after meeting the sudden necessity of war expansion, Northern industries have resumed their normal rate, making a steady but diminished demand for the reinforcement of black labor. We may therefore calculate that the growth of the negro contingent in the Northern cities will be continuous and controlled by the law of supply and demand in the labor market.

The negro leaves the agricultural district and the small town and proceeds to the large cities of the North, where practically the whole Northern contingent is to be found. Because of the rapid expansion of numbers, the negro problem has become more instant and urgent in the North than in the South. The question of housing

is the first issue to intrude itself and compel attention. Other features of adjustment might well wait for a more propitious season. But the primal necessity for shelter, like that for food, cannot be postponed or delayed. Somewhere to live is as imperative as something to eat. The unparalleled influx of whites, of itself, would have made the housing issue acute had not a single negro been involved, but the presence of the negro gave rise to a double order of complexity. He must needs be provided for, not only with the rest, but separately from the rest. There is little or no observable difference of sentiment on the part of the North and the South so far as segregation is concerned, except as it is affected by the relativity of numbers.

Peoples who feel themselves different on whatever basis of distinction this difference may rest will seek separate domiciliary areas. It boots little whether the basis of difference be racial, social or cultural. This is often done without any conscious sense of superior assumption on the one hand or self-debasement on the other. In the Pacific cities the Japanese and the Chinese live in self-sequestered communities by preference rather than by compulsion. There is no conscious sense of self-belittlement on the part of these non-white racial varieties. It often happens that a group conscious of its own idiosyncrasies prefers its own community, to live according to its own manners, habits and social customs without embarrassing proximity to alien onlookers. The Indian never seeks close residential relationship with the whites, but like Milton's Satan, feels that "furthest from him is best." But an inferiority complex which traditional subordination has imposed upon the negro has well-nigh robbed him of racial self-esteem.

His attitude toward the white race is that of the subjunctive mood. Unlike the Indian, the burden of his refrain is "nearer to thee." Anything that tends to racial separation in any form he regards as an invidious discrimination which pushes him still further from the plane of equality with his white overlord.

The white man, on the other hand, deems social assimilability impossible either now or at any future time. The dominant and controlling element in the case is the determined attitude of the white race to forbid residential promiscuity which, in turn, it is felt, would lead to social equality. According to the traditional bias of the American mind, the negro's color connotes inferiority. His birthmark is more opprobrious than the brand on the forehead of Cain. He must be colonized and penned in to himself as a race diseased. Inter-marriageability is the acid test of good neighborhood. Wherever two easily distinguishable groups are forbidden to intermarry by law or custom, they will both find themselves uncomfortable in close residential proximity. The determination of the white race on this score is so firm and emphatic that it has been placed beyond the pale of argumentation and debate. The attitude on intermarriage, as well as its preliminary social intimacies, is well-nigh unanimous in the white mind. This attitude will determine the issue of segregation as long as it holds with tenacity and firmness.

There is a certain type of temperament among the negro intelligentsia which dramatizes equality as the goal of all their strivings. To this group discrimination on account of race is the last word of abomination. The slightest suggestion of distinction meets with indignation. No form of racial separation is tolerable. They deride the natural disposition to self-segregation as being derogatory to the doctrine of equality. To them agitation for rights is a more engaging pastime than calm and logical analysis of the factors involved in race advantage and advancement. The question often rises in the mind of the white people why intelligent, self-respecting negroes seek to intrude themselves upon white communities, since,

in their view, exclusive racial neighborhood is but a proper assertion of race preference and privilege and leads to the peace and happiness of all concerned. The right-minded negro does not oppose segregation as such, but on account of its compulsory character and the resulting hardships. It is an infringement on his citizenship rights under the Fourteenth Amendment to limit by law, or by any other form of compulsion, his human or his property rights on the ground of race or color. The desire of peoples of like taste and disposition to live in their own communities on terms of easy social intimacy cannot be affected by anything which the negro can say or do. He knows quite well that no amount of agitation on his part can force residential promiscuity with white people where such association is unwelcome. Neither party could gain or bestow happiness by such means. On the other hand he cannot be expected to surrender in principle his constitutional right to the unrestricted use of property, unhampered or unhindered by race or color.

This seeming inconsistency is the inevitable result of the attempt to make race prejudice conform to logic. The protestation of the right-minded negro is more than a mere abstract assertion of his rights under the law. He is contending for real, concrete, practical advantages. If the unrestricted tendency to force segregation were allowed to go on without protest the negro would remain penned up in the most unsightly and insanitary sections of the cities to which his original ignorance and poverty assigned him. When the negro began to acquire intelligence and substance, he was confronted with his residential predicament. He found that he was living in alleys and dark places, out of harmony with his tastes and ability to acquire a modern home with up-to-date appointments and facilities. There was no other way for him to improve his surroundings and living conditions than by seeking accommodations in white neighborhoods. He quite naturally objects to being penned up in unwholesome surroundings from which there is no escape. Experience also shows that exclusive negro neighborhoods cannot always rely upon city authorities to furnish facilities for decent living. This is es-

pecially true in the South, where the negro race is deprived of the franchise. It is difficult to secure paved streets, light, water and sewerage in negro sections. The city officials are first concerned in meeting the demands of the voters to whom they owe their positions. It is as true now as when Lincoln first uttered it that "no man is good enough to govern another man without his consent." Small wonder, then, that the negro is suspicious of fixed residential boundaries.

RESULTS OF SEGREGATION

With the present attitude of the white race and its growing racial consciousness, it is inevitable that the influx of negroes should be confined in segregated communities. As a social movement the process has gone on almost unnoticed by both races. Negro communities have grown up in all parts of the country as if of their own accord. In many instances the negro has secured the fairest sections of our proudest cities. Reservations which a brief generation ago the élite had chosen for their own abode have fallen into the hands of the black invaders. The writer recalls a reservation in the City of Washington where thirty years ago no colored man was permitted even to pass through without a written statement of his mission. Today a white man is supposed not to tarry in this same reservation except on stated business. About two decades ago an enterprising negro realtor secured possession of an apartment house in New York City. The adjacent houses soon became vacant. Negro tenants were secured to fill the vacancies. Contiguous properties were abandoned by white tenants as fast as black encroachment impinged upon the erstwhile tenements. After two decades we find in the heart of New York the largest negro city in the world. Here we see a solid negro community of some 200,000 souls, in compact residential segregation, with as definite lines of demarcation as if cut by a knife. There was no compelling law. Indeed, the tradition and practice of New York State is against any form of racial discrimination by law, and yet this process has gone on and still continues as effectively as if by legislative enactment. The same story can be told of all our

larger cities to which negroes are flocking in numbers.

For the most part this process has gone on noiselessly without exciting public notice or agitation. Occasionally there may be a border skirmish, without serious effect to the participants or check to the movement. The only casualty that has occurred throughout the country was in the Sweet case in Detroit, which attracted nationwide attention. This case was in no sense different from hundreds of other incidents occurring all over the country, with the exception that it resulted in bloodshed. Dr. Sweet, a successful medical practitioner in the City of Detroit, purchased a house in what had hitherto been an exclusive white block. The usual process of intimidation was resorted to. Windows were broken, threats were made, and a noisy crowd assembled in front of the premises. As a result of Dr. Sweet's defense of his home an innocent bystander, a white man, was killed. Dr. Sweet and his co-defenders were indicted for murder. The case appealed to the sympathy of the negro race throughout the country. A considerable defense fund was raised by contributions and the most noted criminal lawyer in the country was engaged. The issue was not essentially one of segregation, but the sacredness of the home. The court, true to Anglo-Saxon tradition, decided that a man's home is his castle. The charge of murder was not proved, and Dr. Sweet was acquitted. Yet this tragic incident had not the slightest effect upon the segregation movement in Detroit or elsewhere. The writer visited Detroit a few weeks after the trial and found that there was not the slightest change of mind on the part of either whites or blacks. We may count on more of these incidents in the establishment of residential boundaries between the races. The National Association for the Advancement of Colored People, on the strength of the Sweet case, has issued a nation-wide appeal for \$1,000,000 to fight the cause of segregation, but this fund, when raised, will be used mainly to defend the legal rights of negroes to occupy property secured by due process of law, and will have little or no effect upon the real movement toward segregation.

The attempt is made to blame the negro

purchaser for intruding in what are regarded as white neighborhoods, but whatever blame there may be should be properly apportioned. The white property-owner and real estate dealer control the situation. No negro can buy unless the white owner or dealer is willing to sell.

When the cityward movement of the negro received its greatest impetus during the World War, sundry municipalities sought to fix bounds of racial residence by city ordinance. Hitherto the matter had been handled by real estate dealers, who came to a general understanding whereby colored people would be excluded from certain prescribed areas and allowed to occupy others. In many instances the owners in certain blocks, subdivisions or sections would enter into covenants among themselves not to rent or sell to negroes. Nevertheless, real estate dealers and owners could not be relied upon to abide by their gentlemen's agreement in the face of a tempting offer from a colored client, and the covenant among brokers broke down. Race prejudice, lacking the strength and stubbornness to enforce its own decrees, sought protection of the law.

The classic attempt in this direction was made by the City of Louisville, Ky., which passed an ordinance forbidding colored persons from occupying houses as residences or places of abode, or publicly assembling in blocks where the majority of houses were occupied by white persons, and in like manner forbidding white persons when the conditions as to occupancy were reversed, the interdiction being based upon color and nothing more. The United States Supreme Court unanimously decided that such ordinances passed by a State or municipality were in violation of the Fourteenth Amendment of the Federal Constitution. This settled the legal aspect of segregation based wholly upon race or color. But social forces laugh at laws. The decision of the Supreme Court had no appreciable effect. Since this judgment, which was rendered immediately before America entered the World War, Harlem has grown by leaps and bounds. The negro population of our large cities, especially in the North, has more than doubled. Practically all of them have been confined within prescribed limits.

The process goes on as effectively without the law as with it. New York, Philadelphia, Chicago and Cleveland furnish the largest and most complete instances of segregation on record; and yet it is without the faintest suggestion of legal sanction.

After the decision of the Supreme Court various municipalities fell back upon the reliance of covenants or gentlemen's agreements to preserve the racial integrity of specified blocks, sections and subdivisions. If no covenanter violated his agreement, no negro could ever invade the forbidden preserves. But here again the thirst for gold asserted its power. These covenants became mere scraps of paper.

SUPREME COURT DECISION

In 1926 the National Association for the Advancement of Colored People undertook to test the legality of these covenants by carrying a case arising in Washington, D. C., to the United States Supreme Court. There were at that time as many as seventeen cities in different parts of the country with covenants of like purport, some of them aiming at Italians and Jews. The Supreme Court unanimously sustained the judgment of the lower courts to the effect that these covenants had the legal force of contracts and did not violate the Fourteenth Amendment. This case was an apparent victory for the covenanters and legalized segregation, but in the long run it will be found that, though it may modify the direction, it will not affect the volume of segregation. Covenants entered into by common agreement are canceled by common consent. The very block that was the subject of the test case in Washington is now occupied by negroes, in uncontested tenancy, although the court decision forbids persons of negro blood to buy or live in that block for a period of twenty-one years. Nor is the legal aspect of the victory final. The decision of the Supreme Court suggested a loophole through which the matter might be brought up for further adjudication. The next case which the negroes will take to the Supreme Court will hinge upon the inalienability of property rather than the rights of the race under the Fourteenth Amendment.

Unfortunately, segregation is begetting ill will between the races. The ordinary

white citizen, who had never thought of the negro except remotely as a being to be helped, pitied or ignored, when forced out of his home by negro encroachment develops an antagonistic and bitter spirit.

The negro is developing his own business enterprises to meet the needs of a segregated population. Until now this development has been disappointingly slow, but whatever business energy the race displays is found in these areas. At one time the negro developed certain forms of business which catered exclusively to white patrons, such as barber shops, restaurants, catering and livery stables, but under modern competition such undertakings have become almost wholly a thing of the past. Every negro community in our large cities has business streets where one sees encouraging indications of negro business in the future. Strangely enough, in this respect Harlem, the largest instance of segregation, lags far behind most other cities.

Whatever political power the negro exerts is derived from segregation. In several of the large cities, such as New York, Philadelphia, Chicago and Cleveland, he elects one or more members of the City Council and sometimes a member of the State Legislature as a result of his localized vote. A strong professional class has been developed. The negro preacher administers exclusively to colored parishioners. The physician has almost a monopoly of colored patients. More and more the negro teachers are being assigned to colored pupils in the public schools. The negro has established his own dance halls, theatres

and places of amusement. But the greatest marvel is seen in the rapid acquisition of property. In Harlem, where the bulk of population lives in flats and the rent of individual homes is almost prohibitive, this tendency to ownership is not so apparent; but in cities like Baltimore, Washington and Chicago the negroes in large part own or are purchasing their own homes in the segregated sections. But nowhere do we discover that the race is developing industrial and economic self-sufficiency. There is little or no surplus capital. There is all but complete reliance upon the whites for employment and means of livelihood.

The destiny of the negro population in large cities is clearly foreshadowed. The negro is to live and move and have his social being in areas apart from the whites. About this it is needless to argue or debate, but merely to observe. The border skirmishes to determine the fixity or fluidity of the boundaries will be largely a question of supply and demand. Real estate dealers will pay more attention to providing housing accommodations for colored people suitable to their tastes and means of maintenance and thus relieve the points of pressure. The few wealthier colored men will not find it necessary to move beyond the racial boundaries in order to secure residences suitable to their financial ability and taste. A tacit understanding, though perhaps not a formal agreement, will be reached, honorable and satisfactory to both white and black, upon whose mutual good-will and cooperation the welfare of our cities and of our nation depends.

II. The Negro Protest Against Ghetto Conditions

By HERBERT J. SELIGMAN

National Association for the Advancement of Colored People

IN substance Dr. Kelly Miller postulates as "beyond the pale" of argument certain beliefs of white men; urges resignation in face of the "inevitability of social forces," i. e., lawlessness, "which laughs at law," and proposes acceptance of what he erects into the "destiny" of the negro in America, which is to live in ghettos, pursuant to tacit understanding, illegal but

nevertheless "honorable and satisfactory to both white and black."

To bolster up his position Dr. Miller deals arbitrarily with the entire series of legal victories against segregation. He admits the Louisville segregation case, won in 1917 before the Supreme Court by the National Association for the Advancement of Colored People, forever outlawed State

or municipal enactments establishing segregated residential districts. Then he says this unanimous decision of the Supreme Court "had no appreciable effect on the fact of segregation." Is Dr. Miller ignorant of the fact that had the decision gone the other way there is not an American city with large negro population in which segregation ordinances would not have been pushed and probably enacted?

The second step, the Sweet case in Detroit, also fought by the N. A. A. C. P. and won by its attorney, Clarence Darrow, went beyond the civil aspects of segregation by law and established the negro's right to protect himself against segregation by mob. Dr. Miller, on the strength of a "visit" to Detroit, asserts the Sweet case did not involve segregation and that it "had not the slightest effect" upon the segregation movement. Judge Ira W. Jayne of the Wayne County Circuit Court, who has the advantage of living in Detroit and of being familiar with the situation, informs me that "the Sweet trial has been of great educational value in teaching tolerance, the tragedy of mob spirit, and the need for negro housing." Race relations, Judge Jayne continues, are now more amicable than they have been since the migration began and "the police problem is much relieved." Since the trial there have been no attacks upon negro residents of districts predominantly white, although before the trial there were a number of such attacks and one reputable colored doctor was driven from his home. The people of Detroit now realize that 85,000 colored people cannot be crowded in the space occupied by 8,000 before the World War. At least three competent observers, one of them M. L. Walker, a prominent colored citizen of Detroit, bear out Judge Jayne's observations. Nor has the lesson been lost on other cities.

In commenting on the Washington case, the third step in the legal attack upon segregation, Dr. Miller fails to say that the Supreme Court in 1926 declared its lack of jurisdiction and went out of its way to indicate the opportunity for further cases. Three cases are now in preparation to test conclusively the question of segregation by property owners' agreement.

The Louisville case killed segregation

enactments by city or State. The Detroit case was a fatal blow to segregation by mob. A victory in the three cases now in preparation would complete the circle by outlawing property owners' writing their own segregation laws into private agreements.

Having minimized the effectiveness of legal victories against segregation, Dr. Miller, to prove his case, draws an inaccurate picture of the status of city-dwelling negroes. In Harlem, for example, he claims they are set off from whites by a line of demarcation as sharp as if cut by a knife; the tendency to home ownership there is "not apparent"; and he adds that nowhere "do we discover" that the race is developing "industrial and economical self-sufficiency."

What are the facts? In border streets of Harlem colored people and white live side by side. They do so elsewhere in New York City. They do so without friction throughout the North and even in the South, except where such friction is fomented. Both races have even tenanted amicably the same apartment houses in Harlem. Dr. Miller's imaginary knife line has no counterpart in reality. Even as theory such separation becomes absurd. In any city housing both races they must somewhere live in contact, unless it is proposed to establish a no man's land patrolled by armed sentries.

NEGRO PROPERTY HOLDINGS

As for the tendency to home ownership being not apparent in Harlem, perhaps that is because Dr. Miller failed to inform himself. John E. Nail, a member of the real estate firm of Nail & Parker, estimates the colored holdings of real estate in Harlem at more than \$60,000,000, including many apartment houses as well as private dwellings. In one year negroes are reported to have taken title to \$5,000,000 in New York real estate, most of it in Harlem, making cash payments of \$1,000,000.

In view of there being every form of service in Harlem from theatres to restaurants and all manner of small shops, Dr. Miller's failure to discover "any tendency" of the race to develop industrial and eco-

nomic self-sufficiency seems strange. Of course, if this phrase "self-sufficiency" be taken literally, the statement becomes absurd. No race or group living in the midst of another group ever developed absolute self-sufficiency. Dr. Miller admits the weakness of his own statement when he writes: "The same might, of course, be said of the great bulk of the white race." Measured by any ordinary standard of progress, economic and commercial, as well as cultural, the development of the negro has been and continues to be extraordinary.

Dr. Miller's attitude toward race problems accords with his presentation of facts. He indulges in loose statements, for example, that "the negro problem has become more instant and urgent in the North than in the South," a statement any intelligent negro south of the Mason and Dixon line would ridicule. He states unequivocally that "the white man deems social assimilability impossible." If this be true, why the agitation about it and the controversial literature? He accepts as beyond argument a criterion for white men, which many of them would repudiate, namely, that "intermarriageability is the acid test of good neighborhood," and uses that statement to bolster his case. In effect, he champions segregation on this ground, ig-

noring the fact that most people living in large cities make no effort to know their neighbors, or even those living in the same building. He asserts unequivocally of certain negro groups that for them "no form of racial separation is tolerable," when, in fact, it is enforced and not voluntary separation that is in question. No rational negro quarrels with the tendency, natural or acquired, of individuals to live among their own group, provided the choice is free. Negroes as a group have no more desire to live among whites than whites have to live among negroes. But individual negroes who prosper do want decent homes, in decent districts, decently lighted, policed, paved and served with schools, water and sewer; and all negroes know that enforcement of segregation, whether or not by tacit agreement, means inferior accommodation at exorbitant rents, just as in the South the Jim Crow cars, theoretically "equal accommodation," are in effect for the most part disgraceful denial of decency, cleanliness and comfort for travel.

A fundamental which Dr. Miller entirely loses from sight is that the negro as an American citizen has no choice except to fight segregation to the last ditch. To accept it would be to brand himself as inferior and to accept permanent impairment of his status as a citizen.



Communist Revolts in Java

By A. J. BARNOUW

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JAVA, in the Dutch East Indies, was in November, 1926, the scene of communistic riots. Communistic is a big word that in this instance applies to the wirepullers behind the scene rather than to the rebels themselves. If it be taken in the sense that agitation by Communists in the pay of the Third International is responsible for the late outbreak, the term is correctly interpreted. But the agitators, though they succeeded in causing a momentary stir, are less successful in teaching their disciples the true communistic doctrines. That, however, is of minor importance. It is not the spread of Communism that Moscow is anxious to promote in Asia, but the spread of discontent, unrest and rebellion. The Communist International sees its advantage in fanning nationalistic aspirations which it decries in Western countries as the brood of the capitalistic State, and it exploits Mohammedan fanaticism, while in Russia it denounces all religion.

The spread of education among the Javanese makes them an easy prey to these demagogues. For those who have been to school have learned enough, be it ever so little, to resent a foreign rule that the ignorant masses accept as inevitable. Education stimulates the critical faculty, and, self-criticism being an invidious discipline, it is only natural that the new bent for faultfinding should make the white man's administration its target. The very novelty of its free indulgence makes it an exciting sport to the critics. Until 1915 societies and assemblies of a political nature were prohibited by the Dutch Colonial Government. Since the removal of that bar to open discussion of political questions agencies for the articulation of native opinion have sprung up like mushrooms all over the island. Some of these existed prior to 1915, but they restricted their activities in those early days to the mental and moral uplift of the people and to the betterment of their lot economically. First among these is the *Sarikat Islam*, or Islamic

Union, which was founded in 1911 at the initiative of Tyokro Aminoto, an ambitious Javanese of noble birth whom the Government had dismissed from its service. A coalition of Calvinists and Catholics was then in power in Holland, and under its auspices the Administration in Java inadvisedly emphasized its Christian spirit by forbidding the natives to hold market on Sundays. Thanks to the opposition against this measure among the corps of colonial officers, it was soon repealed, but not until it had done good propaganda work for the *Sarikat Islam*. Fear of an intensified Christian mission drove the people into its Islamic fold, and systematic intimidation of those who did not join was another means of swelling its ranks. Originally the *Sarikat Islam* professed to further only the social and economic betterment of the people, but the leaders of the local branches soon became the spokesmen of political grievances. In local and provincial administration autonomy had been established as early as 1903; in the local and provincial councils Hollanders, Javanese and foreign Orientals met as equals for the discussion of communal interests, and it was naturally within those limited spheres that criticism of the white man's rule became first articulate.

In 1916 the *Sarikat Islam* held its first national congress. The spirit of the delegates was one of loyalty to the Government, fully in keeping with the professed aim of political independence in a union with, and under protection of, the Kingdom of the Netherlands. But the second congress, which convened in the following year, was of a different temper. The Government and the colonial service were denounced as organs of capitalism, and the sins of capitalism were exposed in the approved Marxian jargon. This change of mood was due to the intrusion into the *Sarikat Islam* of a communistic element, which was hoping to get control of the organization by the practice, not unknown in

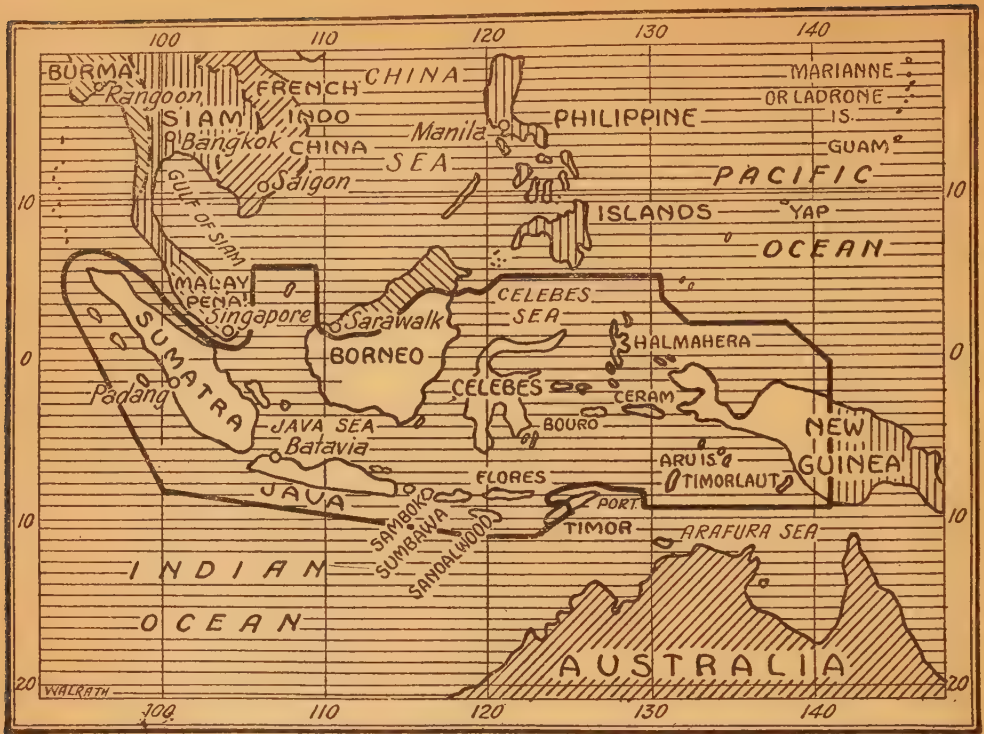
other countries, of "boring from within." The leader of this radical group was a man by the name of Semaoon. He had been trained in the tactics of communistic propaganda by a Dutch agitator, Comrade Sneevliet, whom the Government, on the ground of his subversive demagoguery, had to deny the right of domicile in the Dutch East Indies. Semaoon's faction was an offshoot of the Indian Social-Democratic Union, from which the radical members had seceded after the establishment of the Russian Soviet Republic. They constituted in 1920 at Semarang the P. K. I., *i. e.*, the Party of Communists of India, which maintained immediate contact with Moscow. It is not a subsidiary of the Communist Party of Holland, but its sister organization, both being directly responsible to the Third International, the so-called Comintern. Among the conditions for incorporation with the Comintern, as they were formulated in its second world conference, the eighth is especially applicable to colonial dominions: "Every party which seeks incorporation with the Third International is obliged to unmask the crimes of its country's imperialists and to support every liberative movement not merely with words but also by action. It must further demand the expulsion of its imperialistic fellow-nationals from these colonies and foster a really brotherly relationship between the laborers in their country and those oppressed peoples and carry on a systematic agitation against the oppression of native races among the armed forces of the country."

MOSLEM CAPITALISM ATTACKED

But Semaoon's influence in the Sarikat Islam was not of long duration. His insistence that Communism and not religion should be the basis on which to build, estranged the orthodox Mohammedans from his radical faction. In 1917 the Sarikat Islam proclaimed in its platform that it would combat "vicious capitalism," but Semaoon maintained that all capitalism was vicious, including Mohammedan capitalism, and he blamed the *hadjis* in the Sarikat for making a capitalistic propaganda system of religion. *Hadjis* are those faithful who have performed a pilgrimage to the holy shrines of Islam in Arabia.

Thousands of natives from the Dutch East Indies leave their homes every year to perform this religious devotion, and if they do not die of the hardships to which they are exposed on the journey in the scorching sun from Jidda to the Holy Places, they return to their villages wearing the white headgear which is the token of their accomplished pilgrimage. These *hadjis* are often breeders of unrest in the district to which they belong. They loaf about spreading seditious talk and discontent among the populace and thereby causing trouble to the civil authorities. For in Mecca they come under the influence of the anti-European spirit which is gaining strength throughout the Islamic world. The rule of the infidel over the Mohammedan faithful in Africa and Asia is naturally resented most in the religious centre of Islam, and the home-going *hadji* returns imbued with that spirit. Hence *hadji* and Communist are at one in their hatred of Dutch rule over Java, but beyond that negative sentiment they have little in common. There was a danger lest the rich Arabs, who are numerous in the Dutch East Indies, should withdraw their financial support from the Sarikat Islam, and in order to ward off a secession of the capitalists the sixth national congress, held in October, 1921, at Soorabaya, passed with an overwhelming majority a resolution for enforcement of party discipline by which members of the Sarikat Islam were forbidden to belong to any other political party. This meant the expulsion from the union of the Communists, who had their own organization in the P. K. I.

Semaoon's ousting from the Islamic Union did not end all cooperation between Communists and faithful Mohammedans. Though the cleavage was wide, he succeeded in finding a ground for common action in the economic field. After his return from an adventurous journey to Moscow, he formed a federation of native trade unions comprising the organized workers in factories, railroad and tramway employes, school teachers, pawnshop assistants and the personnel of the opium régime. And in order to feed the P. K. I. with fresh forces from among the malcontents, the Communists formed a *Sarikat Rayat Merah*, or Red Union, whose



MAP OF JAVA AND THE OTHER DUTCH EAST INDIAN COLONIES

branches were to be the training schools for admission into the P. K. I. The chosen who were admitted into this central body were few in number. A long probation was required before they were eligible, and when elected they had to swear an oath that put their loyalty to the party beyond question. In every province the P. K. I. had its subcommittees, which in turn controlled the communistic branches in local districts and villages. Even childhood was enlisted in the cause. Comrade Tan Malakka organized an educational movement, founding schools that were free from any Western taint and where the youthful minds were imbued with hatred of the white man and all his evil ways.

By these methods the soil was prepared for the crop of revolt. In June, 1924, the first Congress of Transport Workers in the Pacific Ocean convened at Canton. The main subject of discussion was the tactics in combating imperialism. It was decided that the prerequisites for a successful action were the solidarity of the transport

workers of entire Asia and the cooperation with all political movements throughout the Far East. There were delegates from Java at this meeting, and it is more than likely that the November riots were the indirect outcome of the personal contact of these delegates with the representatives of the Comintern at Canton. For it was after their return from China that the Javanese Communists began to organize the workers in the cities into small groups or cells which should be ready for immediate action at the signal of revolt. Soorabaya, the great export harbor of East Java, was chosen as the centre of this cell-building scheme. A walk-out of native labor in that city in November, 1925, was the result of this communistic agitation. To the dismay of the leaders, however, it was far from a success. The flare-up was promptly extinguished by resolute action of the authorities. Had it set Soorabaya on fire, the blaze might have spread to other cities and thrown the island into that state of disorder which would insure success to a gen-

eral revolt. Tan Malakka, speaking that same month at a secret meeting in Batavia, expressed his hopes in this way: "A single flame will set a house on fire, a single house in flames will lay a whole village in ashes."

THE REVOLT OF NOVEMBER, 1926

It was in this meeting that the decision was taken to start a rising in 1927. Tan Malakka was confident that, as soon as his shock troops had overthrown the existing order, the Nationalists would make common cause with the Communists and take the reins of Government in hand. He assured his hearers that he had definite promises to that effect, and he repeated this boast in a seditious pamphlet which he had printed at Cairo and smuggled into the Dutch East Indies. The Dutch authorities, at the time of this secret meeting at Batavia, were not aware of Tan Malakka's presence in Java. He had been banished from the Indies, and was supposed to be living at Singapore. Singapore was the headquarters of the exiled Javanese Communists. Here they collected the funds for the purchase of the arms and ammunition that were smuggled to Java and to the west coast of Sumatra. The money did not come exclusively from Russia. The Javanese themselves were laid under contribution, threats and intimidation extorting gifts from those who were not willing or hardly able to offer their mites.

Early in November, 1926, the plan had matured so far that the central leadership, aware of the impatience that their promises had aroused among their following, decided not to wait until the year 1927. Three leaders were appointed to head the insurrection, one for West, one for Middle and one for East Java; and a delegate from West Sumatra, whose identity has not been disclosed, assumed responsibility for the conduct of affairs in his province. The union of railroad and tramway personnel was persuaded to support them by calling a general walk-out. Thus the stage was set for a general rising on Nov. 13.

The conspiracy was a sad fiasco. The leaders blundered into action, relying on a widespread sympathy with their murderous tactics that did not exist. The small gangs of rioters that were on the rampage did not

attract the hoped-for following from among the ranks of the uninitiated. The only region where they actually succeeded in creating a momentary perilous state was in the Residency of Bantam, West Java, and here their success was not due to any enthusiasm among the populace for the rallying cries of Communism. Bantam is a hotbed of Mohammedan fanaticism; and religious fervor, the bugaboo of the Moscow commissars, blew the communistic sparks into flame. In white robes, the garb of those who have devoted themselves to death, the rebels in this region risked their lives in the service of Allah. Their reward will be surer to them in his heaven than in the Communists' Utopia.

The Executive Committees of the National Labor Secretariat and of the Communist Party in Holland met in joint session on the very day when the first telegrams from Java brought news of the riots to The Hague. They passed a resolution declaring the insurrection to be due to the misrule of the late Governor General D. Fock, and cabled this opinion to the latter's successor, Jonkheer A. C. D. de Graeff, until recently Netherlands Minister at Washington. For world-proletarian labor leaders this was rather petty action. It amounted to a disavowal of their Javanese comrades. If there be salvation in Communism and revolt be the way to that goal, it should be pursued for its own glorious sake and not because some capitalistic ruler has made a failure of his Administration. To blame his misrule for the provocation it offered comes very near to excusing the rebels for a crime which Communists are supposed to extol as a virtue.

Mr. Fock will doubtless take their censure as a compliment, for it implies the admission that he, at least, did his best to counteract their propaganda. He himself, it is true, has been blamed, not by Communist critics alone, for creating the economic conditions that favored the spread of discontent and sedition by pursuing a course of stringent economy. But in doing so he did not follow his own bent, but obeyed the dictates of the situation that resulted from the stressful years of the World War. The financial administration of the Indies was out of joint when he took office. The budget had to be curtailed so

as to restore the balance between revenue and expenditure; relief from taxation, though conceded to be justified, was denied for the time being; contemplated reforms were delayed for lack of appropriations, and disappointment at the Government's failure to fulfill its promises of reform bred a spirit of discontent and dissatisfaction.

This was grist for the Communists' mill. The primitive mind is swayed by the magic of catch phrases. To the native, similarity is identity, the token is the thing itself; words are not symbols, but the very things they stand for, and promises are accepted as certainties. "As soon as we are in power," the Communists told their gullible victims, "we shall exempt you from taxes, and those who refuse to side with us shall pay taxes for you. We shall let you live in the beautiful homes of the white men, we shall let you travel gratuitously on the State railroad, all debts shall be canceled

and once a week you shall have a feast." Still, the army of followers recruited by this kind of persuasion from among the more than 35,000,000 Javanese was comparatively small and far from reliable. For at the first defeat the leaders would be discredited and lose the hold which their oratory had won them, the power of facts being stronger than the magic of words. They had a strained idea of their own influence and capacities, and the overcharged balloon of their conceit burst and collapsed at the first test. In the Volksraad, an incipient form of Parliament for the Dutch Indies, all the native delegates, representing various party organizations, have voiced their strong disapproval of the riots and expressed their desire for continued cooperation with the Government in the task of economic and political education of the many native races that inhabit the islands.



Czechoslovakia a Pioneer in Central European Politics

By ROBERT MACHRAY

British Publicist

ON Oct. 28, 1926, Czechoslovakia celebrated the eighth anniversary of its independence, and it did so in presence of a new and most significant political development, striking evidence of which was seen in the fact that in many parts of the country Germans for the first time joined with Czechoslovaks in official observance of the great day. The all-important event which made this possible was that about a fortnight before there had come into office a Government representing Germans as well as Czechs and Slovaks, two German Ministers being included in the Cabinet. Up to Oct. 12, 1926, all Czechoslovak Cabinets had been formed from and supported by a coalition of half a dozen Czech parties—Agrarians, National Democrats, Social Democrats, National Socialists, Catholic Populists and the “small traders”—with a total of votes varying from 159 to 173. Taking together all the other parties as the Opposition, it had a total of votes varying from 121 to 151, but there was no united Opposition. The minority parties, the largest of which were German, were in general arrayed against the Government. It was not till the Spring of 1926 that a change was indicated in this respect, certain German minority groups combining with certain Czech parties in carrying a measure for increasing the corn duties. It was at that time, too, that all the groups and parties of the Republic first showed a realignment into two main divisions, the bourgeois parties on the one hand and the Socialists, irrespective of race, on the other.

For about seven years of its short history Czechoslovakia had in the main been governed by a system of coalition of parties of Czech nationality. The Republic contains nearly 14,000,000 people, of whom about 9,000,000 are Czechoslovaks and half a million are Ruthenians—

all Slavs. Of the remainder three and a quarter millions are Germans and three-quarters of a million are Magyars; there are besides some 80,000 Poles (Slavs, too, of course) and 200,000 Jews. As will be seen, the Slav elements outnumber the rest by more than two to one. From the ethnical point of view the number of Slavs insures Czechoslovak preponderance, and from the political point of view would insure the same thing were the Czechoslovaks united. But they are not united, and do not form even one political party among themselves so large and representative of the race as to be in a commanding position in the country. Yet it was natural enough that, at any rate for a time, Governments should be found in coalitions of parties of Czechoslovak nationality, in view of the historic truth that the Republic was fashioned by the Czechoslovaks. Confronted by accomplished facts, the German and Magyar minorities took up a hostile or a negative position with regard to the new State, which many members of these groups thought would have a very brief span of life. But even in the few short years of the country's existence its progress has been remarkable in almost every direction possible in its circumstances. It has been a progress of consolidation internally, accompanied by a distinct increase of prestige externally. No one now supposes that the Republic will come to a speedy or abrupt end. All the while the pressure of their common economic interests had been bringing the Czechs and the Germans together in Bohemia and Moravia, and suggesting to the Germans that it would be well for them to become reconciled to the existing political conditions. The further step of taking an active instead of a passive interest in the politics of their country was not a hard one. The opportunity came.

Difficulties of an economic and social character brought about a sharp division between the two Socialist parties and the bourgeois parties in the Czech national coalition. With the consequent emergence of a bourgeois bloc and a Socialist bloc, the Czech national coalition dissolved and racial separatism began to disappear. In March, 1926, Mr. Shvehla, the leader of the Czech Agrarians, the strongest bourgeois party, resigned, after having held office as Prime Minister continuously for four years. For a while Parliamentary Government came to an end, for the simple reason that the Parliament was unable to find a majority capable of taking over the Government, a position of affairs which has had and has its parallel in other countries. In Czechoslovakia President Masaryk called on Mr. Cherny to form a Ministry of technicians or officials not members of Parliament, the exception being Dr. Benesh, the Foreign Minister, who sat as a representative of the National Socialists, but who later resigned his seat while retaining his Cabinet post. Once before there had been a similar Cabinet as a temporary expedient, and the Cherny Ministry of 1926 had the same character. Negotiations went on between leading members of the bourgeois parties, including the German minority groups, by whose help the new law on the corn duties had been passed. The result was seen on Oct. 12, when Cherny's Ministry of officials was replaced by a Government which was predominantly of Parliamentary composition, representing Czech and German anti-Socialist parties, with a total of 163 votes, distributed as follows:

Czech Agrarians.....	46
Czech Populists.....	31
German Agrarians.....	24
Slovak People's.....	23
German Christian Socialists.....	13
Czech National Democrats.....	13
Czech Small Trades.....	13

Mr. Shvehla was at the head of the new Government. The Opposition, numbering in all 137 votes, but by no means all of one mind was composed of 41 Communists of all nationalities, 29 Czech and 17 German Social Democrats, 28 Czech National Socialists, 10 German National Socialists and 4 Magyar Chris-

tian Socialists, the remainder consisting of various small political factions. The new Shvehla Government has a good working majority, but the most interesting and important thing about it is that it is the first Czechoslovak Government to contain among its members representatives of the German minority.

MINORITIES' NEW STATUS

This means that that minority has passed from a negative to an active phase in relation to the politics of the Republic, a fact the significance of which it is not easy to exaggerate and all the more so because what has just been said also applies to some extent to the Magyar minority, as one section of it is cooperating with the Germans and therefore forms with them part of the Government majority. Seven years ago the minorities were for the most part openly hostile to the Republic; now, for the most part, they have shown their intention to collaborate directly with the Government of what, after all, is their native land. It looks as if political thought, at least in Czechoslovakia, were moving away from war psychology in the direction of common sense, everyday realism in a spirit of racial conciliation and friendship. Considering this development, the fact that the Government represents a coalition of the bourgeois parties as against the Socialists—the Right against the Left—seems to be of almost secondary interest. What is of vital importance is the abandonment of the previous system of coalition of the parties of one nationality. The minority problems of the Republic can now be referred to the sphere of internal politics, where they properly belong, and be dealt with in the best possible manner by cooperation between the minorities and the Government. This marks a great political advance in Czechoslovakia.

Of the fourteen Ministers who at the outset composed the new Government, the two German Ministers were Herr Mayr-Harting and Herr Spina. Both are university professors. Dr. Mayr-Harting was born at Vienna in 1874 and began his career in the Austro-Hungarian Ministry of Justice, afterward becoming a lecturer at the University of Vienna. Some years

later he was Professor of Civil Law in the University of Chernovitz, in the Bukovina. In 1909 he came to Bohemia as Professor of Law at the German University of Prague. He belongs to the German Christian Socialist Party, and is regarded as one of the most judicious and sober-minded German politicians of Czechoslovakia. His German colleague in the Government, Dr. Spina, was born in Moravia. For years he has been Professor of Slavonic Languages in the German University of Prague. In 1925 he drew up a proposal for the autonomy of the German schools in the Republic, a proposal which was recognized by the Czechs as a possible basis of discussion. He is a member of the German Agrarian Party. Both Ministers come from those German bourgeois groups which for some time past had shown an "activist" tendency in German politics in Czechoslovakia, and these German activists were glad to see their representatives in the Cabinet. Among the Czechs as a whole the inclusion of the two Germans in the Government was received with some reserve, but without opposition. The Socialists expressed a fear that the Government, being on bourgeois lines, might show itself hostile to the interests of the working classes, but this fear did not appear to be felt very seriously, and was dissipated in large measure by the assurance given by Mr. Shvehla at the opening of the Parliament on Oct. 14, 1926, that he was desirous of continuing the program of the previous Government and of other Governments—which implied that there would be no going back on the very considerable bulk of Socialist work and legislation that had already been achieved.

INSPIRING EXAMPLE TO OTHER STATES

President Masaryk, the "founder and father" of Czechoslovakia, had let it be known that he thought it was the duty as well as the right of the Germans to take their share in governing the country, and after the formation of the Cabinet he intimated that the appearance in it of the two German Ministers was in accordance with his hopes and wishes. On Independence Day, in reply to congratulatory speeches made on behalf of the Parliament, he declared that Locarno and Thoiry, with their

efforts toward reconciliation among the nations, represented his own program and that of the whole Czechoslovak nation. Referring to the entry of the Germans into the Cabinet, he said that the day they were met to celebrate was a "new 28th of October," with its promise of closer political, economic and social cooperation among all the elements of the Republic without distinction of race. At the same time he uttered a warning against an excessive estimate of what had actually happened, for, after all, the process of racial readjustment was only just beginning, and much remained to be done. It was evident, however, that he believed a good and hopeful start had been made.

It should be noted that Czechoslovakia is the first country of Europe to make a start in this direction; furthermore, that this is the first time since the war that in any land with German minorities the Germans have taken an active part in the Government. From this point of view it is possible to regard Czechoslovakia as having accomplished an excellent piece of pioneer work. It has at least set a great example, which can hardly fail to have an effect in countries similarly situated. There is certainly today a better atmosphere in Europe than there was two or three years ago, and this should help, but it will not do to be too optimistic, for beneath the surface, and here and there not far from the surface, there are forces that do not make for appeasement and reconciliation.

It has been asked whether this political change in Czechoslovakia indicates a revival of the "Mittel-Europa" dream of the Germans. This question raises a ghost—the ghost of an empire that has passed away, apparently forever. It was on the subordination of the Austro-Hungarian monarchy to Germany that the German idea of Mittel-Europa was based and in that way had a certain substance and body. But the war changed all that, and it is not too much to say that all attempts at the resurrection of the idea will be met by a unanimous refusal on the part of all the countries that owe their existence to the dismemberment of the Austrian Empire. Ask any Czech, Pole, Rumanian or Yugoslav, and he will tell you that Austria-Hungary, with its thirteen nationalities or more, was a monstrosity, the doom of

which has now been finally pronounced. In none of the liberated countries is there any willingness on the part of the respective peoples to sacrifice their hard-won freedom for the sake of a political combination which proved so disastrous in the past.

It is true, however, that if the downfall and liquidation of the Austrian Empire brought great gains to some of its nationalities through territorial distribution, they also brought some losses and new difficulties. A country that had been one large customs unit was divided up into parts, and a number of customs barriers were erected between the various new national units—barriers which still stand. The new States desired to be self-contained so far as it was possible, and it must be said that in some of the new States industries have been founded that would not have come into being had it not been for the apprehensions of these States that they might become economically dependent on outside countries. Though the barriers have not been pulled down, their effect has been mitigated very appreciably by a large number of economic treaties and mutual understandings which have helped to improve the situation and to facilitate an easier exchange of goods between the countries concerned. The participation of the Germans in the Czechoslovak Government may well be held to indicate just this—that the new territorial system has established itself firmly enough to permit the cooperation of the element which so far had reckoned more on the instability than on the stability of the new Europe. The Czechoslovak German realizes that the dream of *Mittel-Europa* is dead and, on the contrary, that Czechoslovakia is very much alive.

SLOVAK CATHOLIC PARTY REPRESENTED

As constituted in October, 1926, the new Czechoslovak Government consisted of fourteen Ministers, the majority of whom were members of the Parliament, the others being technicians or specialists, as, for example, Dr. Benesh, the Foreign Minister, and Dr. English, the Finance Minister. In the distribution of portfolios one important party which supported the Government was not included; this was the Slo-

vak People's Catholic Party, also known as the Slovak Clericals, whose leader was Father Hlinka. At that particular time Father Hlinka was absent in the United States; it was understood, however, that on his return some member or members of his party would enter the Cabinet. Accordingly, in the second week of November, Dr. Tisso and Dr. Gazik, both Slovak Clericals, became respectively Minister of Unification and Minister of Health. Father Hlinka remained leader of the party. The Slovak Clericals are the strongest of the Slovak political groups, and this party had been in opposition to the Czech national coalition since the Autumn of 1921, though before that it had been represented in the Government. What may be called the Slovak question, on which the party had based its very clamorous cry, was concerned with the claim that Slovakia should have autonomy within the framework of the Republic, and should no longer be subjected to the policy of Czech penetration, as was alleged to be the case. With respect to the latter statement, it is true that in some instances the Czechs made mistakes in Slovakia, but this was due to their desire to confer benefits, such as better organization and education, on the Slovaks rather than to any desire to exploit the Slovaks for the Czechs' own benefit. The educational level of the Slovaks is universally lower than that of the Czechs in Bohemia, Moravia and Silesia. It was another instance, however, of the wisdom of making haste slowly; this has been realized, and no one who understands the position now accuses the Czechs of pursuing a policy of Czech penetration. The ideal of the Czechs is to build up a State which shall be neither Czech nor Slovak but Czechoslovak, including Czechoslovaks of German, Magyar or other descent. Of necessity—because the Czechs are numerically preponderant and more highly developed politically—most of the building must be done by the Czechs.

What is meant by Slovak autonomy? The Slovak Clericals took their stand on the Pittsburgh Agreement, which was negotiated during the war by President (then styled Professor) Masaryk with the Slovaks in the United States. In expounding his views at that time and for some time afterward, Father Hlinka denounced the idea of an independent Slovak nation, but

the more extreme of his followers demanded an autonomy so exaggerated as not to fall very far short of separatism. Some leaders of the party tried to prove that the Czechs and the Slovaks are not one but two nations, despite the fact that the Czech language differs less from the Slovak language than does popular Viennese German from the German spoken in Berlin. This cannot but suggest that the Slovaks are an integral part of one Czechoslovak nation. What, then, was at the bottom of the trouble? Put bluntly, it was Clericalism, *i. e.*, Slovak Clericalism. Even members of the Czech Clericals were not sufficiently orthodox Catholics for the Slovak Clericals, as was demonstrated when the Slovak Clericals left the parliamentary club in 1921; till then it had been the common meeting ground of both Czech and Slovak Clericals.

A much more prominent part is played by religion in Slovakia, and the clergy have a far greater influence there than in Bohemia and Moravia. The Slovak Clericals passionately defend Church influence in public life and in the schools, and they even go to the length of stigmatizing the efforts of the Czechs to raise the educational level of the long neglected masses of the Slovaks as attempts to deprive these people of their religion. The Slovak Clericals, as already indicated, are not quite clear as to what they understand by autonomy. But so far as can be judged from speeches delivered by Father Hlinka himself he, at any rate, means by it the creation of a Diet or Parliament for Slovakia, independent management of the Slovak schools, the nomination of all lower Slovak officials, the establishment of an independent official land reform office for Slovakia, and several other things. Yet at a meeting held under Hlinka's presidency early in November, 1926, the party agreed to support the new Czechoslovak Government, and the presence of the two Slovak Ministers in the Cabinet is an earnest of its good intentions in this matter. From the point of view of the State, this development must also be considered a step forward in the consolidation of the Republic and a guarantee that the Slovak question will be solved in agreement with the party which received the greatest number of votes

in the elections in Slovakia. Undoubtedly, serious Czech opinion is virtually unanimous in accepting the gradual extension of self-government in Slovakia as the right political objective. What is in doubt is the best method. As the situation stands, this should not prove impossible to find with good-will on both sides.

SIGNIFICANCE OF GERMAN ADHESION

The Czechs and Slovaks are brothers in blood. Although brothers often quarrel, and quarrel very bitterly, there is at least the prospect that the quarrel of the Czechs and Slovaks will be settled amicably. It will be an excellent thing for the Republic if this comes about. But it should not be forgotten that the Slovaks and the Germans stand on a different footing, inasmuch as the former do not constitute a "Minority," whereas the Germans do. The adhesion of leading Slovak and German parties to the Government is very important, but as it is difficult to believe that the Czechs and the Slovaks can be kept separated from each other for long in the Republic, the adhesion of the Germans must be considered as possessing the greater significance from the political point of view. Germane to what has just been said, and germane especially to the Slovak question, there is one other point to consider. Of the Government majority of 163, no fewer than 67 belong to the Clerical or Catholic parties: Czechs 31, Slovaks 23 and Germans 13. Five of the Ministries are in the hands of the Clericals. It is thus evident that the Clericals have a very strong position in the new Government, for it will be impossible for Mr. Shvehla to pass any measures that do not meet with the Clericals' approval. Naturally he will not introduce any bills likely to create dissensions in his ranks. His policy will rather be shaped to gain the support of the bourgeois parties in the mass as against the Socialist parties. He will perhaps bear in mind what President Masaryk said in a recent statement respecting the realignment of parties in the Republic: "Bourgeoisie and Socialists must compete in a positive manner. Principles must be pitted against principles. Only in that way can parties keep themselves alive and through their struggle be of service to the State."

British Revelations on the Outbreak of the World War

By BERNADOTTE E. SCHMITT

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ON Aug. 6, 1914, the British Government published a White Paper entitled *Correspondence Respecting the European Crisis*. The dry diplomatic documents revealed much of the secret history of the previous fortnight; they showed that Sir Edward Grey, the British Foreign Secretary, had striven gallantly for peace; and they implied that Russia and France bore little responsibility for the declarations of war hurled at them by Germany. No other publication gave so vivid a picture of the tragic events, and throughout the war the case of the Allies rested in large measure upon this British White Paper.

Since 1918, however, the publication of documents from the German, Austrian and Russian archives has led to a reconsideration of the question of the responsibility for the war. It is therefore a matter for satisfaction that the British Government, on Dec. 1, 1926, published its complete diplomatic correspondence from the end of June to Aug. 12, 1914, so far as it relates to the outbreak of war.* For the first time, one of the victors has accepted the challenge of publicity by putting all its cards on the table.

The original British publication, with certain dispatches published subsequently, contained 164 documents. In the new volume there are 677. A comparison of the two books warrants four observations:

(1) The telegrams published in 1914 were given in paraphrase, in order to protect the ciphers. The paraphrasing was,

however, honestly done. Only once (so far as the writer has noted) was the meaning changed, and then, apparently, by a slip. In No. 110 of the 1914 version, in the last sentence of the first paragraph, Sir Edward Grey seems to be using language which, according to No. 335 of the new edition, came from the German Ambassador.

(2) Of the original 164 documents 44 were "edited" by the omission of certain passages. The parts left out do not refer to British policy, but to that of other Governments; they present a somewhat less favorable picture of Russian and French action and a slightly more favorable view of German conduct.

(3) On the whole, the same verdict may be given for the 513 new documents; on only two matters is some qualification necessary. From the White Paper it could be inferred that the British Government was not opposed to Russian mobilization; actually Grey told the Russian Ambassador that he assumed Russia would mobilize (No. 132). Secondly, the British attitude toward neutrality is made much clearer. What is new is to be found in the "minutes" on the documents made by Sir Edward Grey, Sir Arthur Nicolson, Permanent Under-Secretary, and Sir Eyre Crowe, Assistant Under-Secretary; these are very illuminating and often of the highest importance.

(4) No documents were falsified. A satisfactory explanation is offered of the problem raised by No. 105 of the White Paper. That document was a dispatch of July 30, with which was enclosed a French memorandum of German military preparations, dated July 31. When the anachronism was pointed out, the date was suppressed, and many persons doubted the authenticity of the paper. The paper was genuine enough; but the French Ambassa-

**British Documents on the Origins of the War, 1898-1914*. Edited by G. P. Gooch, D. Litt., and Harold Temperley, Litt. D. Vol. XI. *Foreign Office Documents (June 28-Aug. 4, 1914)*. Collected and Arranged with Introduction and Notes by J. W. Headlam-Morley, M. A., C. B. E., Historical Adviser to the Foreign Office. London: Printed and Published by His Majesty's Stationery Office. 1926. Pp. xi, 389. 10s. 6d.

dor had handed in two telegrams, one on July 30, the second on July 31, and in the haste of compiling the White Paper the wrong document was printed.

In general, the British Government comes out of its own secret papers exceedingly well. Whereas the post-war editions of Austrian, German and Russian documents have compelled serious revision of opinions about the policies of their respective Governments, the view of British policy created in 1914 will not be radically changed, though the motives of that policy will be better understood.

THE SARAJEVO CRIME

No new light is thrown on the assassinations at Sarajevo. Not till July 20 did the British Foreign Office receive any exact information about the crime or learn that "there are reasons for believing the plot to have originated in Serbia" (No. 64). On July 23 it was informed that "complicity of Serbian officials in crime was fully proved" (No. 90), but the *dossier* on which Austria rested her case was not presented in London until July 29 (No. 282), after war had been declared against Serbia. Thus the British Government had no reason to judge Serbia severely, whose attitude was reported to be "prudent and conciliatory" (No. 53). She was waiting until the results of the investigations at Sarajevo were known; "upon the publication of the findings of the Court the Serbian Government would be prepared to comply with whatever request for further investigation the circumstances might call for and which would be in accordance with international usage" (No. 61). Curiously enough, it was expected that Germany would restrain Austria (Nos. 61, 80).

At Vienna, on July 11, "nothing is really known * * * regarding the intentions of the Government" (No. 46). Count Berchtold, the Foreign Minister, was said to be "peacefully inclined" (No. 55); the Minister at Belgrade was opposed to "pressing Serbia too hard" (No. 57). The fact that the military chiefs went on leave was interpreted to mean that there was no "immediate prospect of war" (No. 81). On July 17 Berchtold declared that "he did not himself know yet what would happen" and that "it was too early to say" what the con-

tents of the communication to Serbia would be (No. 156). Actually, Sir Maurice de Bunsen, the British Ambassador, had been privately informed, on July 15, of its substance (No. 50). But he could "not yet believe that Austria will resort to extreme measures" (No. 56). The language of Count Tisza's speeches was reassuring (Nos. 51, 65, 82). The only discordant note came from Berlin, where the Austrian Ambassador was said to be "pessimistic as to the outlook," but this was discounted (No. 63). In London Nicolson had his "doubts whether Austria will take any action of a serious character" and expected that "the storm will blow over" (minute on No. 40).

The attitude of Germany was difficult to gauge. It was said to be "in complete agreement" with the Austrian procedure (No. 50). The Ambassador, Tschirschky, protested against "believing in the efficacy of a conciliatory policy on the part of Austria" (No. 40); the military attaché predicted that "the hour of condign punishment for Serbia is approaching" (No. 56). On the other hand, Prince Lichnowsky expressed himself to Grey as "hopeful, though he had no information that the German Government might have succeeded in smoothing the Austrian intentions with regard to Serbia" (No. 41). Grey evidently did not share Nicolson's optimism, for he rather went out of his way to tell Lichnowsky that "conversations had taken place between the military and naval authorities of France and Russia and ourselves," and to say that

if Austrian action with regard to Serbia kept within certain bounds, it would of course be comparatively easy to encourage patience at St. Petersburg; but there were some things that Austria might do that would make the Russian Government say that the Slav feeling in Russia was so strong that they must send an ultimatum or something of that sort.

The first clear indications were received in London on July 22, only one day before the ultimatum. A semi-official statement of the *North German Gazette* expressed the hope that "a serious crisis will be avoided by the Serbian Government giving way in time" (No. 73). Sir Rennell Rodd, the Ambassador in Rome, re-

ported a "feeling of uneasiness prevailing at the German Embassy" (No. 74), and the fears of the Italian Foreign Minister, "who is in constant touch with Austrian Embassy," that "communication to be made to Serbia has been drafted in terms which must inevitably be unacceptable" (No. 78).

Brought up short, the British Foreign Office analyzed the situation exactly:

It may be presumed that the German Government do not believe that there is any real danger of war. They appear to rely on the British Government to reinforce the German and Austrian threats at Belgrade; it is clear that if the British Government did intervene in this sense, or by addressing admonitions to St. Petersburg, the much-desired breach between England and Russia would be brought one step nearer realization.

But I admit that this is all speculation. We do not know the facts. The German Government clearly do know. They know what the Austrian Government is going to demand, they are aware that these demands will raise a grave issue, and I think we may say with some assurance that they have expressed approval of those demands and promised support, should dangerous complications ensue. [Crowe's minute on No. 77.]

But the British Government was not going to commit itself prematurely. Although there was known to be "great uneasiness" in St. Petersburg and that "anything in the shape of an Austrian ultimatum to Belgrade could not leave Russia indifferent" (No. 60), both Crowe and Nicolson were opposed to representations at Vienna. "Such action would be resented and would do harm"; "it is for the German Government to do this" (minutes on No. 76). The newly appointed British Minister to Serbia was told not to take sides:

If [the Austrians] proved that the plot to assassinate the Archduke Franz Ferdinand had been prepared and organized on Serbian territory, and that Austria had real grounds for complaint against Serbia, it would be possible for him to urge in Belgrade that the Serbian Government really ought to give to Austria the utmost assurances they could for the prevention of such plots against Austria being carried on in Serbia in the future (No. 79).

The advice was given M. Sazonov, the

Russian Foreign Minister, to "ask the Austrian Government to take Russia into their confidence by telling them exactly the extent and nature of their grievance against Serbia, and what they felt it necessary to ask." The British attitude was entirely loyal and correct.

Upon receipt of the Austrian ultimatum, which the Italian Foreign Minister said "might have been drawn up by a policeman" (No. 648), Serbia appealed for British support (No. 119). An Italian suggestion that Austria might give assurances to all the Powers that she was only seeking guarantees for the future, was regarded in London as "too vague for any practical purpose" (No. 175). More hopeful was the hint of the Serbian Minister in Rome that Serbia might yield to Europe if the two most debatable points of the ultimatum were explained (No. 202), but a few hours later Austria declared war (Nos. 225, 226). After this Serbia would make "no further concessions" in view of the "firm attitude of Russia and reports received as to solidarity of England with her two partners" (No. 500).

About Austria there is little that can be called new. The British Government received little information from Vienna, except reports about military preparations. The assurances to Russia that "Austria-Hungary desired neither to gain territory nor to crush Serbia" (No. 248) were not found convincing (minute on No. 264); but no effort was made to restrain Austria, on the ground that "such a request would be peremptorily rejected" (minute on No. 252). De Bunsen failed to discover the shiftiness of Berchtold; he did not report any concessions to Russia, but also nothing to indicate a rupture.

RUSSIA'S ACTION

The picture of Russia tallies pretty well with that which may be drawn from other sources. Sazonov was "much perturbed," but took "a very reasonable view" of the situation; he would "make no difficulties if Austria confines her action to asking for an official inquiry in the event of her being able to prove that the plot against the Archduke was hatched in Serbia" (No. 164). To the end of the crisis he was re-

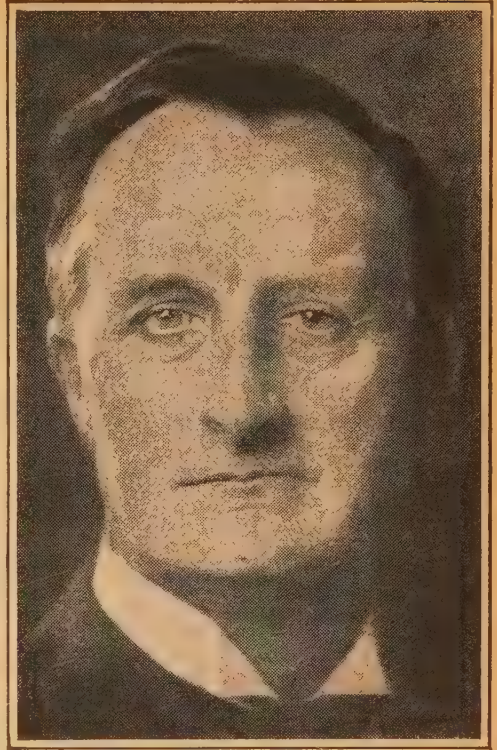
ported conciliatory and willing to negotiate. But his methods caused some irritation in London, where his successive proposals for the maintenance of peace were puzzling (No. 230). "One does not know where one is with M. Sazonov" (minute on No. 179), and his proposals "made it easier for Germany to find fresh excuses for her inactivity" (minute on No. 185).

On the other hand, the Russian press was exceedingly critical (No. 196) and public opinion excited (No. 289). From other quarters there was disturbing news. The Russian Ambassador in Vienna said that the Czar was "very angry" and the Minister of War "bellicose" (No. 248). In Paris, Izvolsky was saying that "war is inevitable" and that "things were very different now" from what they had been in 1909 when "Russia was not in a position to fight" (No. 216).

About the Russian mobilization, the British Government was fully informed. On July 25 the report was that preparations were being made to mobilize 1,100,000 men (No. 125); on July 26 that a "state of extraordinary protective activity" would be proclaimed in St. Petersburg and Moscow (No. 155); on July 27 that partial mobilization would be ordered when the Austrian army entered Serbia (Nos. 170, 173); on July 30 that it had been ordered, and that it had been decided "at the same time to commence preparations for general mobilization" (No. 302). Beginning on July 27 there was a succession of telegrams from Riga, Odessa and other cities announcing mobilization or other military measures. The fact of general mobilization was not known in London, however, till the afternoon of July 31, nearly twenty-four hours after it had been ordered (No. 347). On Aug. 1 the military attaché telegraphed: "Reported that transport of reservists to Finland commenced on 25th July" (No. 454).

The British attitude toward Russia was dictated by two considerations:

(1) After the "reasonable" Serbian reply (minute on No. 171), the Russian defense of Serbia was held to be justified. To Nicolson's mind, it was "quite preposterous, not to say iniquitous," for Germany to argue that "all the Powers are to



VISCOUNT GREY OF FALLODON

British Secretary of State for Foreign Affairs at the outbreak of the war in 1914.

hold the ring while Austria quietly strangles Serbia" (No. 239). Grey, therefore, in his conversations with Lichnowsky, "assumed that a war between Austria and Serbia cannot be localized" (minute on No. 100), and said that he could "do nothing for moderation unless Germany is prepared *pari passu* to do the same" (minute on No. 103). It was understood that "if Russia mobilizes, * * * Germany will do the same"; but since "it seems certain that Austria is going to war, * * * it would be neither possible nor just and wise to make any move to restrain Russia from mobilizing" (Crowe's minute on No. 170). Possibly Grey later regretted this attitude, for on July 31 he remarked to the French Ambassador that the Russian mobilization, "it seemed to me, would precipitate a crisis, and would make it appear that German mobilization was being forced by Russia" (No. 367).

(2) Much more was at issue than the fate of Serbia. "Russia is a formidable power and will become increasingly strong," Nicolson observed on July 20 (minute on No. 66). "Let us hope that our relations with her will continue to be friendly." Buchanan telegraphed that "for ourselves position is a most perilous one, and we shall have to choose between giving Russia our active support or renouncing her friendship" (No. 125). Crowe dotted the i's:

It is clear that France and Russia are decided to accept the challenge thrown out to them. Whatever we may think of the Austrian charges against Serbia, France and Russia consider that these are pretexts, and that the bigger cause of Triple Alliance versus Triple Entente is definitely engaged.

I think it would be impolitic, not to say dangerous, for England to attempt to controvert this opinion, or to endeavor to obscure the plain issue, by any representation at St. Petersburg and Paris. * * *

Our interests are tied up with those of France and Russia in this struggle, which is not for the possession of Serbia, but one between Germany aiming at a political dictatorship in Europe and the Powers who desire to retain individual freedom. [Minute of July 25 on No. 101.]

This point of view determined British policy. But Grey refused to promise assistance, in spite of four appeals from Sazonov (Nos. 101, 125, 170, 247) and one from Izvolsky (No. 216); he left Russia to take her own course.

GERMANY'S ATTITUDE

From July 22 on Germany appears as the evil genius of the piece, and all her diplomacy with respect to England failed egregiously and completely. Her demand that the conflict be localized created indignation and bred suspicion:

The statement made by Austria and now reasserted by Germany concerning Serbia's misdeeds rest for the present on no evidence that is available for the Powers. * * * Time ought to be given to allow the Powers to satisfy themselves as to the facts which they are asked to endorse. (Minute on No. 100.)

The point that matters is whether Germany is or is not absolutely determined to have this war now. (Minute on No. 101.)

"The only hope of avoiding a general conflict," thought Nicolson, was to propose a conference, as suggested by Sazonov (No. 139), but "Berlin is playing with us" (No. 144). This suspicion was confirmed by the German Government "passing on" British proposals to Austria, which "somewhat peculiar way of treating our suggestion that Germany should join in making a communication to Vienna" was considered "very insidious" (minute on No. 149). The feeling grew that "Herr von Jagow has, if anything, egged on the Austrians" (minute on No. 158), and that "Herr von Tschirschky has apparently been another link in the chain of encouragement given to Austria to go ahead ruthlessly" (minute on No. 160). The Austrians, in short, were engaged in "a most cynical and desperate measure" to re-establish their position in the Balkans and to replace Russia:

Germany should, for her own respect, show facts that she is not willing to associate herself with it, or in any case will assist in mitigating its effects and limit its scope. (Minute on No. 174.)

On July 28 "the first ray of hope" is seen in the report that the German Ambassador in Paris had said that "Germany no longer excluded altogether the idea of mediation to stop hostilities breaking out" (No. 199); but in the light of previous "passings on," when the next day the German Chancellor asserted that "he was doing his very best at both Vienna and St. Petersburg," Crowe found it "difficult to believe that the German Government has done anything at all" (minute on No. 249). On July 30 the comment is made on a Vienna telegram, "This looks at last as if some German pressure was making itself felt at Vienna" (No. 311); but the news from St. Petersburg was that "Austria is determined not to yield to intervention of Powers" (No. 347). But any possible effects of German mediation were destroyed by the famous "bid" for British neutrality on July 29:

It is clear that Germany is practically determined to go to war and that the one restraining influence so far has been the fear of England joining in the defense of France and Belgium. (Crowe's minute on No. 293.)

On July 30 reports of German military

preparations begin to come in (Nos. 313, 314, 315), which is considered "decidedly ominous." The following day the news is that "troop trains are pouring through [Cologne] on their way to the Western frontier" (No. 339), and the German Government has prohibited the export of food by sea, which brings the note:

If this is not a warlike preparation of equal importance as the Russian removal of treasure to the interior [of which the German Chancellor had complained (No. 337)], words have no meaning. (No. 341.)

On top of this came the announcement of the German ultimatum to Russia (No. 344) and the proclamation of a "state of danger of war" in Germany (No. 346). It was on the receipt of this news that Grey dispatched his inquiries to France and Germany whether they would respect the neutrality of Belgium (No. 348).

The contrast is pointed between the indifference of the Foreign Office to the military preparations of Russia and its deep suspicion of similar, but later, measures in Germany; also between its complete unwillingness to exert pressure on Russia and its repeated requests that Germany restrain Austria. What the documents reveal, on almost every page, is the conviction that Austria was the aggressor and Russia on the defensive, that Germany was abetting Austria and refusing her assistance in mediation, while at the same time she was secretly preparing for war. The statement of the British Ambassador in Berlin, "that the Emperor and Co. have worked at Vienna is certainly true" (No. 510), reached London too late to have any effect.

FRANCE'S PART

The sympathy of France for Serbia was well known, and her Ambassador in Vienna feared that the situation might "develop rapidly into complications from which war might easily arise" (No. 40). The *Temps* and the *Matin* also waxed enthusiastic about the Russian army (Nos. 42, 69). As the crisis developed, the nationalist press endeavored to persuade the public that Germany was "giving France to understand that, unless other Powers kept out of the quarrel, they would have Germany to deal with and the prospect of a general

European conflagration" (No. 193); but up to July 29, at least, public opinion was "disinclined to allow itself to be worked up to warlike excitement" (No. 270).

The French Ambassador in St. Petersburg used more decided language than Sazonov (No. 100), declaring that there was not the "slightest sign of hesitation" in Paris (No. 125). Poincaré was reported to consider war "inevitable" (No. 320, b). The British Ambassador at first expected the French Government to "advise the Russian Government to moderate any excessive zeal that they may be inclined to display to protect their Serbian client" (No. 134); but later he complained that "the French, instead of putting pressure on the Russian Government to moderate their zeal, expect us to give the Germans, to understand that we mean fighting if war breaks out" (No. 320). The French Foreign Office, however, telegraphed to London that it was urging Russia to give Germany no pretext for mobilization (No. 294), and Poincaré asserted that "France did not desire war," which could be prevented only by a British declaration of solidarity (Nos. 318, 373).

From this time the French Government began to accuse Germany of military measures (No. 319, inclosure, No. 338) and to disclose its own counter-measures, which were declared to be less advanced than those of Germany (No. 353). The news from the British military attaché was that "all precautions prior to a mobilization have been carried out" (July 29, No. 321), but that the covering troops, which took position on July 30, were ordered "not to approach within eight kilometers of the frontier" (No. 363).

The British attitude to France during the week was reserved. When the Ambassador suggested that the French Foreign Office ought to issue a communiqué proposed by the German Ambassador, Grey replied: "I suppose French reluctance is due to desire to avoid appearance of being detached from Russia, and I cannot urge them to risk that." (No. 204.) He accepted assurances that France was "urging Russia not to precipitate crisis" (No. 310), but a minute of Crowe reveals suspicion:

What must weigh with his Majesty's Gov-

ernment is the consideration that they should not by a declaration of unconditional solidarity with France and Russia *induce* and *determine* these two Powers to choose the path of war. [No. 318.]

And on July 31 Grey refused to give the French Ambassador any pledge, offering as an excuse that "the commercial and financial situation was exceedingly serious:"

There was the danger of a complete collapse that would involve us and every one else in ruin; and it was possible that our standing aside might be the only means of preventing a complete collapse of European credit, in which we should be involved. This might be a paramount consideration in deciding our attitude. [No. 367.]

FATEFUL DAY

So we reach the fateful Aug. 1. On the previous afternoon Grey had told the American Ambassador that he "had asked the German Government to suggest any means by which mediation could be applied, but had not yet received any answer" (No. 370). At midnight the German Embassy handed in a memorandum, in which complaint was made of the Russian military preparations against Austria at a moment when the Kaiser, at the request of the Czar, was trying to mediate:

The German Government nevertheless persevered with their mediation at Vienna. In putting forward the urgent proposals that she [*sic*] did, the German Government went to the utmost limit possible with a sovereign State which is her ally. The suggestions made by the German Government at Vienna were entirely on the lines of those put forward by Great Britain, and the German Government recommended them for serious consideration at Vienna.

At last! But coupled with this statement was the information that Germany "had asked France whether she would remain neutral" (No. 372). A decision would soon be forced on the British Government.

There was little doubt at the Foreign Office what that decision ought to be. From the beginning it had despaired of a pacific issue of the crisis. On July 29 Nicolson was "of the opinion that the resources of diplomacy are, for the present, exhausted" (minute on No. 252). The decision not to

issue a declaration of neutrality in the Austro-Serbian war (No. 250) and the anxiety over the ciphers which the British Consul in Belgrade had taken with him to the German Legation when the bombardment began (Nos. 269, 273, 278, 359), indicate what was anticipated. Crowe had stated the case for intervention as far back as July 25:

Should the war come and England stand aside one of two things must happen:

(a) Either Germany and Austria win, crush France and humiliate Russia. With the French fleet gone, Germany in occupation of the Channel, with the willing or unwilling cooperation, what will be the position of a friendless England?

(b) Or France and Russia win. What would then be their attitude toward England? What about India and the Mediterranean? [Minute on No. 101.]

On July 31 he had addressed a long memorandum to Grey, the most pertinent passages of which read as follows:

The argument that there is no written bond binding us to France is strictly correct. There is no contractual obligation. But the Entente has been made, strengthened, put to the test and celebrated in a manner justifying the belief that a moral bond was being forged. The whole policy of the Entente can have no meaning if it does not signify that in a just quarrel England would stand by her friends. * * *

Our interest and our duty will be seen to lie in standing by France in her hour of need. France has not sought the quarrel. It has been forced upon her. [No. 369, in-closure.]

Grey's views are revealed in his memoirs; he would have resigned unless England went to the aid of France. But during this trying time he resisted all pressure, and on Aug. 1 he continued to manoeuvre. On the one hand he "definitely refused all overtures to give Germany any promise of neutrality," and said that he would "not entertain any such suggestion unless it was on conditions that seemed real advantages to France" (No. 419). If consistent with French obligations, he supposed that the "French Government would not object to our engaging to be neutral as long as the

German Army remained on the frontier on the defensive." On the other hand, he told the French Ambassador:

If France could not take advantage of this position, it was because she was bound by an alliance to which we were not parties and of which we did not know the terms. This did not mean that under no circumstances would we assist France, but it did mean that France must make her own decision at this moment without reckoning on an assistance that we are not now in a position to assume. * * * We had come to a decision: that we could not propose to Parliament to send an expeditionary military force to the Continent. [No. 426.]

Sir Edward went on to say that Great Britain "had no obligation," which the Ambassador admitted, and that the final decision, in which "very grave considerations were involved," would be determined by "British interests" and would be dealt with in Parliament (No. 447).

THE BRITISH POSITION

It is clear, then, that England was not bound to France. The promise to use the British fleet to protect the northern coasts of France, given the next day, "did not bind us," said Grey, "to go to war with Germany, unless the German fleet took the action indicated" (No. 487), and although the French Government on Aug. 2 and 3 alleged four frontier violations by Germany (Nos. 473, 481, 507, 535), no assistance was promised. Instead the British Government communicated to Paris German denials that the frontier had been violated (No. 529) and German counter-charges of French violations (Nos. 505, 540). The documents, of course, do not indicate the dissensions and indecision of the British Cabinet, but they do show that, until the Belgian question was raised, no positive action was taken by the British Government to join in the war. The conclusion seems warranted that, although Grey and the Foreign Office believed that Great Britain should range herself with France, they were not in a position to carry their point, and that, if Germany had been willing to respect the neutrality of Belgium, Great Britain would not have entered the war at that time.

Throughout the crisis the British diplomats exhibited all that imperturbability for which their race is famous. Though somewhat surprised by the magnitude of the crisis, they never lost their poise; nothing flustered or upset them. Grey and his assistants knew what they wanted; the representatives abroad hardly needed the occasional instructions sent from London. One gets the impression of a well-oiled machine working without effort, but with definite purpose. That purpose was to prevent war if possible; but if it was not possible—and on this point there were few illusions—to see that Great Britain joined in on the right side and before it was too late.

There is a refreshing absence of the usual diplomatic jargon in these British papers. One lays down the volume agreeing heartily with Herr Zimmermann of the German Foreign Office, who said: "This is the most tragic day [Aug. 1] for forty years, and it happens just as we were settling down to what we thought were improved relations all around." He was very angry and excited about the whole thing, reported the British Ambassador—"expressed regret that Germany, France 'and perhaps England' had been drawn in—none of whom wanted war in the least, and said that it came from 'this d—d system of alliances, which were the curse of modern times'" (No. 510). The British point of view was well expressed by what Sir Edward Grey said to Walter Hines Page (No. 638):

The issue for us was that, if Germany won, she would dominate France; the independence of Belgium, Holland, Denmark and perhaps of Norway and Sweden, would be a mere shadow; their separate existence as nations would really be a fiction; all their harbors would be at Germany's disposal; she would dominate the whole of Western Europe, and this would make our position quite impossible. We could not exist as a first-class State under such circumstances. I said that I asked nothing from the United States, except that they should comply with the ordinary rules of neutrality, and that they should take charge of our embassies in Berlin and Vienna, if need be. I should like Mr. Page to telegraph to the President what I had said to him.

Did Russian Mobilization Force War in 1914?

By GUNTHER FRANTZ

Author of *Russlands Eintritt in den Weltkrieg*; editor of *Russland auf dem Wege zur Katastrophe*: a recognized German authority on the subject of Russia's War Guilt

IT might be thought that the subject of the Russian mobilization had received abundant publicity, that it had been discussed so exhaustively and so thoroughly in all its phases that doubts of its significance in interpreting the origins of the World War could no longer exist. But such is not the case. Even yet we hear it said that Russian mobilization did not mean war, that it was caused by the false publication of German mobilization on July 30, 1914, and that Germany should have remained content with counter-mobilization.

We cannot open the eyes and ears of defenders of the war-guilt falsehood by force if they refuse to read or hear the facts that have meanwhile been brought to the knowledge of the public, whether by printed word or orally. Their words, however, continue to poison the conscience of the world; and it is necessary to fight against them.

How did Russia react to the Serbo-Austrian crisis in 1914? On July 24, when the ultimatum to Serbia became known at St. Petersburg, a luncheon was first given by the French Ambassador, at which the Russian Minister of Foreign Affairs was present; and then at 3 o'clock a Ministerial Council was held. The result of this discussion of the Ministers—which is also reported in the "Journal" of the former Russian Ministry of Foreign Affairs—was drawn up in a note of the following tenor:¹

(Copy)

TEXT OF RUSSIA'S PLAN.

On the original his Imperial Majesty was so gracious as to write with his own hand,

¹Robert C. Binkley, "New Light on Russia's War Guilt" in *Current History*, January, 1926, page 533.

"agreed to," *Tsarskoe Selo*, 12 July (O. S.), 1914.

Countersigned:

PRESIDENT OF THE COUNCIL OF MINISTERS,
STATE SECRETARY GOREMYKIN.

Special Journal of the Council of Ministers,
11 July, 1914.

Subsequent to the declaration made by the Minister of Foreign Affairs regarding the most recent measures taken by the Austro-Hungarian Government against Serbia.

The Minister of Foreign Affairs informed the Council of Ministers that, according to information received by him and according to the announcement made by the Austro-Hungarian Ambassador to the Imperial Court, the Austro-Hungarian Government had turned upon the Serbian Government with demands which appeared, in fact, to be quite unacceptable to the Serbian Government as a sovereign State, and which were drawn up in the form of an ultimatum calling for a reply within a definite time, expiring tomorrow, July 12, at 6 o'clock in the evening.

Therefore, foreseeing that Serbia would turn to us for advice, and perhaps also for aid, there arose a need to prepare an answer which might be given to Serbia.

Having considered the declaration made by Marshal Sazonov in its relation to the information reported by the Ministers of War, Marine and Finance concerning the political and military situation, the Council of Ministers decreed:

1. To approve the proposal of the Minister of Foreign Affairs to get in touch with the Cabinets of the Great Powers in order to induce the Austro-Hungarian Government to grant a postponement in the matter of the answer to the ultimatum demands presented by the Austro-Hungarian Government, so that it might be possible for the Governments of the Great Powers to become acquainted with and to investigate the doc-

uments on the Sarajevo crime which are in the hands of the Austro-Hungarian Government, and which, according to the declaration of the Austro-Hungarian Ambassador, it is willing to communicate to the Russian Government.

2. To approve the proposal of the Minister of Foreign Affairs to advise the Serbian Government, in case the situation of Serbia should be such that she could not with her own strength protect herself against the possible armed invasion by Austro-Hungary, not to offer armed resistance to the invasion of Serbian territory, if such an invasion should occur, but to announce that Serbia yields to force and that she entrusts her fate to the judgment of the Great Powers.

3. To authorize the Ministers of War and of Marine, in accordance with the duties of their offices, to beg your Imperial Majesty to consent, according to the progress of events, to order the mobilization of the four military districts of Kiev, Odessa, Moscow and Kazan, and the Baltic and Black Sea fleets.

(Note by the Acting Secretary of the Council: "In the original the word 'Baltic' has been added by his Imperial Majesty's own hand, and the word 'fleet' corrected to read 'fleets.'")

4. To authorize the War Minister to proceed immediately to gather stores of war material.

5. To authorize the Minister of Finance to take measures instantly to diminish the funds of the Ministry of Finance which may be at present in Germany or Austria.

The Council of Ministers considers it its loyal duty to inform Your Imperial Majesty of these decisions which it has made.²

FATAL DAY OF JULY 25

Accordingly the Russian Government, on July 24, was already willing, "if circumstances should demand it," to mobilize a part of its forces against the Danubian Monarchy. Thereby she took sides with Serbia, attested her will to help Serbia, and

was resolved upon a forcible settlement of the conflict in favor of Serbia. This resolution was confirmed by the Czar on July 25, and in a Crown Council of the same day it was endorsed and "further developed." The mobilization indeed was for the present not to be published, but "all necessary measures preparatory for its speedy execution in case of necessity" were to be taken. What was to be understood by these "preparatory measures" and the "other military measures" decided upon by the Ministerial Council on the day before, we now know in part from the British documents. It was in the main the period of "war preparation." That period, after having been provided for in the regulations and by organization since 1912, was now to be put into practice.

The newly published British documents throw fresh light on the extent of these preparations contemplated by the decisions of the Crown Council of July 25. In Document 125, sent at 8 P. M. on July 25, Buchanan tells of what Sazonov had told him in regard to the decisions at this momentous meeting:

Minister of Foreign Affairs then told us that at Council of Ministers held under his Presidency Emperor had sanctioned drafting of Imperial Ukase, which is only to be published when Minister for Foreign Affairs considers moment come for giving effect to it, ordering mobilization of 1,100,000 men. Necessary preliminary preparations for mobilization would, however, be begun at once.

Buchanan further goes on to explain how Sazonov was given courage in his aggressive plans by absolute French assurance of military aid in whatever steps Russia took:

French Ambassador then said he had received a number of telegrams from Minister in charge of Ministry for Foreign Affairs, that no one of them displayed slightest hesitation, and that he was in position to give his Excellency formal assurance that France placed herself unreservedly on Russia's side.

General Dobrorolski, Chief of the Mobilization Division of the Russian General Staff in 1914, tells us how at this meeting on July 25, and at a meeting of the General Staff on the same evening, the Russians decided definitely upon war. This was be-

²The pages from which this translation was made are in a mimeographed form in a heavy bound volume: *Hoover Kriegsbibliothek, Russland R 968; Vysochaise utverzhdennye zhurnaly Sovieta Ministrov i Osoobykh Sovieshchani, 1914. Otdielenie 2, KS. M.* The date July 11 corresponds to July 24, new style. The record of the conference held on the following day is in the same volume. From that time till the outbreak of war no more conferences are recorded.

fore they had learned the terms of the Serbian reply to the Austrian mobilization:

On the evening of July 25, 1914, a meeting of the Committee of the General Staff took place at which it was decided to declare at once a preparatory mobilization period and further to declare a state of war over all fortresses and frontier stations. War was already decided on. The whole flood of telegrams between the Governments of Russia and Germany was merely the stage dressings behind which the [military] drama was prepared.

The entire Russian Army, in the Summer of 1914, was in the camps and on the drill grounds, as was traditionally the case in Russia. Of course, the troops could not be mobilized at those places, for the requirements of mobilization, equipment, ammunition, arms, accoutrements and clothing, for the regular and reserve troops, were all at the garrisons. All the troops in the whole of European Russia received orders on July 25 to return as rapidly as possible to their garrisons.³ There followed close upon this order during the night of July 25 a second order, "to reckon the 26th of July as the beginning of the period of war preparation in the whole territory of European Russia"—hence also in the districts of Vilna and Warsaw, which bordered on Germany, and also in St. Petersburg.⁴

MOBILIZATION IN FACT

The period of war preparation appears to an English critic as "of slight importance." Either he does know what it means or he consciously closes his eyes. For now—from July 26 onward—the entire Russian Army was—not indeed formally and admittedly, yet according to fact and meaning—in a state of mobilization. The nature of this "period of war preparation" has already been described in *Die Kriegsschuldfrage*.⁵ We repeat, however, with all clearness and emphasis: the period of war preparation permitted and had for its secret purpose the placing of the army upon

a war footing. Only the regulations were so worded that the appearance of innocence could be preserved abroad, and it could still be declared with honest conviction: "Mobilization has not been ordered." Nevertheless, mobilization was carried on under another name. The Russian Minister of War was therefore formally correct in declaring on the evening of July 26 to the German Military Attaché in St. Petersburg that no sort of order for a mobilization had been issued, that not a horse had been levied and not a reserve soldier called to the colors.⁶ In this declaration, however, there lay a conscious, well-planned deception; for, according to the regulations for the period of war preparation, troops of the reserves and the imperial defense could be called in for manoeuvres and transferred to the frontier corps to complete their complements. In this way the troops received the strength stipulated for the event of war. In the same way commissary horses could be bought, and the troops would get the regulation number of horses. Numerous other steps falling under the term "mobilization" could also be taken in anticipation of the official mobilization; for example, distribution of the plans for transporting troops to the front, departure of railway station commanders for their designated posts, changing the artillery ammunition to metal charges, purchase of food supplies for men on commissary transports, clothing the troops in field uniforms, and so forth.⁷

We know, further, that during the period of war preparation guards were placed on the frontier along the railways and at bridges, and that positions on the frontier were selected. We also know that in this period before the official mobilization the transportation of troops from the interior of Russia to the frontier districts was to take place; for example, the Fifth Cavalry Division at Kazan. In the period of war preparation, therefore, Russia not merely took the steps that anticipated the real mobilization but transported troops to the frontier—in other words, placed them in

³G. Frantz: *Russland's Eintritt in den Weltkrieg*. Deutsche Verlagsgesellschaft für Politik und Geschichte. Berlin, 1924: Vgl. Anlage, 128-130.

⁴*Ibid*, Anlage 97.

⁵In No. 4 of April, 1924.

⁶*Die deutschen Dokumente zum Kriegsausbruch*. No. 242.

⁷*Russlands Eintritt in den Weltkrieg*: Anlage 30.

position against a neighbor to whom assurances had been given officially and upon word of honor that the measures of the Russian Government were not directed against her.

We also know that the period of war preparation was planned for purposes of deception and for veiling Russia's real political aims, and constituted a carefully constructed weapon of diplomacy. Russia needed to gain time before beginning hostilities, in order to carry out the transportation of the troops from the Volga, from the Transcaucasian districts and from Asia. The longer the period of mobilization could be drawn out and the later hostilities could begin, the more favorable it would be for Russia; for all the more confidently could Russia calculate upon taking the field with superior numbers against a foe who could assemble his forces on the frontier more rapidly than Russia. This question was of the utmost importance for the beginning of hostilities and had to be taken into consideration by the diplomats.

For that reason the period of war preparation—this secret, gradual transformation of the army to a war footing—served as the means for mobilizing without a mobilization order. It had been so planned and willed. Everything depended upon whether Russian diplomacy would prove skillful enough successfully to delude the enemy, so as to gain as much time as possible for the period of war preparation. Every day that could be won through diplomatic negotiations would be a precious advantage in increasing the chances for a successful beginning of hostilities. This idea of the Russian Government circles, however, would have been frustrated if the telegraphic mobilization order to the troops was to be regarded as amounting to an order to begin hostilities. It was by no means in Russia's interest to open the fighting simultaneously with the mobilization order. Russia's interest demanded that she gain time, and for that reason it was more expedient "to bring the opening of hostilities into agreement with our [Russian] preparations." In harmony with this—so it was written in the Russian military

protocol of Nov. 8, 1912,⁸ "efforts must be made to gain the necessary time, and for that reason hostilities must not be begun without necessity." For it might prove advantageous "to move up the troops to the frontier [*aufzumarschieren*] without opening hostilities;" and it was hoped, "by means of skillful pretended diplomatic negotiations to allay as far as possible the apprehensions of the enemy." The game was, therefore, to gain time and conceal through "fake" diplomatic negotiations the mobilization that was secretly going on, in order that the enemy might continue to hope that "the war might still be avoided;" and in order that Russia's armies might be ready to march at the moment when the enemy should be awakened from his naively hopeful dream.

THE DECEPTION OF 1914

In the Summer of 1914 (July 26), this carefully devised plan was put into practice, along with the inauguration of the period of war preparations. Several days, at any rate, were thus gained, even if too few for the full realization of Russia's hopes and wishes. In malignant joy over the blind confidence with which the Central Powers had fallen into this trap, yet disappointed because Germany detected too soon the true intentions of her Eastern neighbor, General Palizyn, at that time Chief of the Russian General Staff, declared, in the Summer of 1915:

Just think what would have occurred if the Austrians had thrown their troops solidly against us. Our march to the frontier would not have succeeded, and the Austrians would have inflicted partial defeats upon us. But for a long time they did not believe we would declare war. They devoted all their attention to Serbia, in the full conviction that we would not stir. Our mobilization struck them like a thunderbolt. It was then too late for them. They had become involved with Serbia. The Germans, too, permitted the first days to elapse without action. Altogether we gained twelve days. Our enemies committed a huge blunder by regarding Russian diplo-

⁸*Ibid*, Anlage 82. See also E. F. Henderson, in *Current History*, "Chronicles," August, 1926.

macy as sincere and conceded to us at the same time an incalculable advantage.⁹

These words of Palizyn no longer leave any room for doubt as to the true aim of Russian policy in the days preceding the outbreak of the war, or as to the intention to set a trap for Russia's opponents.

The recently recovered letter which was sent by the late Nikola Pashitch, then Premier of Yugoslavia, to his Chief of Staff on July 31, 1914, affords absolute confirmation of the thesis that Russian mobilization was a screen for the provocative military preparations. He said in this letter: "The reports received from our Minister at St. Petersburg state that Russia is now negotiating and is prolonging negotiations in order to gain time for the mobilization and concentration of her army. When her mobilization is finished she will declare war on Austria."

RUSSIA'S HOPES

Events, however, developed much too rapidly for Russia's wishes at the end of July, 1914. The Russians' hope of getting the army ready for marching by working for weeks during the period of war preparation was not wholly fulfilled.¹⁰ They did not succeed in the few days following July 26 in fully attaining their aim. But at any rate they had won an "incalculable advantage" through the "huge blunder" of their neighbors.

On July 28 Paléologue again informed Sazonov of the complete willingness of France to fulfill its treaty obligations if the necessity should arise; and from London on the 27th and 28th came the information that the reliance of the Central Powers upon the neutrality of England no longer had any ground, as proved by the mobilization of the British Fleet. On July

28 the Danubian monarchy declared war upon Serbia.

Now at length Sazonov was resolved to act, and he pointed out to the Chief of the General Staff "the necessity of no further hesitation with the mobilization of the army."¹¹ Be it well understood: the "mobilization of the army" meant the general mobilization. For meanwhile, under the influence of the military men, he had lost his "faith in the beneficial effect of a partial mobilization." On the evening of July 28, accordingly, orders for a complete and for a partial mobilization were made ready for the Czar's signature; and on the following morning (July 29) the Chief of the General Staff had in his portfolio both orders with the signature of the Czar. About 12 o'clock he handed to the Chief of the Mobilization Division, to be given out to the army, the order signed by the Czar for the general mobilization. Furthermore, the Chief of the General Staff telegraphed on July 29 to Warsaw that "July 30 would be the first day of mobilization;" the official telegram (ordering mobilization) would follow later.¹²

Here let it be stated with all possible clearness that:

1—On July 29, at 3 o'clock, P. M., the Russian Chief of Staff declared to the German Military Attaché at St. Petersburg upon his word of honor—even offering spontaneously to give him the written confirmation of his words—that up to that hour mobilization had occurred nowhere, and that the Czar wished no mobilization against Germany.¹³ The Czar, however, had already signed the ukase and the messenger was on the way (with the order) for preparing the telegrams for troops of the empire ordering the mobilization. According to meaning and fact this was a lie, and verbally there was at least a piece of conscious deception;

2—On July 28, when no mobilization

⁹Tagebuch des Grossfürsten Andrej Wladimirovitch: Staatsverlag, Petersburg, 1925, page 38.

¹⁰The Russians undoubtedly calculated that they would gain several weeks during the period of war preparation. This conclusion can be drawn from a sentence in the report of the Admiralty Staff, dated June 27 (July 7), 1914, of the following tenor: "If the outbreak of war should not occur suddenly for us, but with a period of war preparation of two or three weeks . . . which may be possible, so far as the opening of hostilities depends upon our side" . . . (Rotes Archiv, Vol 7, 1924.)

¹¹General S. Dobrorolski: *Die Mobilmachung der Russischen Armee*, 1914. Beiträge zur Schuldfrage, herausgegeben von der Zentralstelle für Erforschung der Kriegsursachen. Erstes Heft. Deutsche Verlagsgesellschaft für Politik und Geschichte, Berlin, 1922.

¹²Russlands Eintritt in den Weltkrieg. Anlage 143 und 145.

¹³Die Deutschen Dokumente zum Kriegsausbruch, 1914. No. 370.

order had yet been signed by the Czar, Sazonov telegraphed to the Russian Ambassador at Berlin that on July 29 the mobilization of the four districts against Austria would be published, but no aggressive purposes against Germany were entertained.¹⁴

3—On July 29—at a time when the general mobilization was already known at the central offices in St. Petersburg, and the dissemination of this order had been provided for—the Russian Minister of Foreign Affairs declared to the representative of the German Empire that the military measures begun, including also at that time the mobilization of Vilna and Warsaw on the German frontier, were by no means aimed at Germany, but were occasioned only by the mobilization of eight corps in Austria.¹⁵

The news from the Russian Ambassador in Berlin on July 30 about the false information of German mobilization printed by the *Lokalanzeiger* is alleged to have given occasion for the declaration of the general mobilization in Russia on the 30th—a piece of news which, as has been clearly proved, could not have arrived in St. Petersburg by the time when mobilization was decided upon. (It arrived nine hours afterward.) Even yet this publication by the *Lokalanzeiger* plays a rôle in Sazonov's apologies. But we ask: What grounds and what information gave occasion to the Russian Government on July 29 for a general mobilization? That this order of the 29th was recalled at the last moment and changed into one for a partial mobilization, was, as is well known, only the good work of the two monarchs [the Kaiser and the Czar] who wanted to preserve the peace.

When Sazonov, after a very agitated conference with the Czar early on the afternoon of July 30 had wrested from him his consent to a general mobilization, he hurried to the telephone in the palace and communicated the sovereign's order to Janushkievitch, Chief of the General Staff,

who was awaiting it "with impatience," and added: "Now you can break your telephone;" or, according to the report of General Dobrorolski, the words of Sazonov were: "*Alors, faites vos ordres, mon général, et en suite * * * disparaissez pour toute la journée. * * **" (Very well, General, give out your orders and then—disappear for the rest of the day.) The meaning of Sazonov's words admits of no doubt: Janushkievitch was to disappear and make it impossible to find him, so that the mobilization order could not again be recalled, as on the previous day.

The Russian mobilization order of July 30 was followed by that of Germany on Aug. 1. Germany, in her last efforts to maintain peace, thus permitted her bellicose neighbor to the east an advantage of fully forty-eight hours at the start. Eleven years after these events an English critic makes a half hour out of these forty-eight hours!

GERMANY'S DECLARATION OF WAR

Was Germany, on her part, able, after the Russian mobilization, to confine herself to mobilizing? We shall not ourselves defend our just standpoint regarding this question, but give the floor to a Russian, General Gurko, whose voice should have some weight because, as editor of the official work on the Russo-Japanese war, he enjoyed a certain respect in the educated army circles, and because, as author of the infamous army order of Dec. 25, 1916, he was responsible for the rejection of the German peace offer.¹⁶ He wrote in the year 1919.¹⁷

Looked at from the German standpoint, the beginning of the Russian mobilization was for Germany synonymous with the necessity to begin military operations immediately. In order to understand and approve this we must draw attention to the fact that the chief condition of success for Germany lay in the possibility of putting her entire mobilized army into the field and breaking into the hostile countries at once, before these States had had time to get ready, and particularly before the Russian mobilization could have been completed.

¹⁴Das russische Orangebuch von 1914. Beiträge zur Schuldfrage, herausgegeben von der Zentralstelle für Erforschung der Kriegssursachen. Deutsche Verlagsgesellschaft für Politik und Geschichte. Berlin, 1925. Document No. 70.

¹⁵Ibid., No. 84.

¹⁶W. Gurko: Russland, 1914-1917. Erinnerungen an Krieg und Revolution, page 254.

¹⁷General W. Gurko: Leben und leben lassen. Copenhagen-Berlin, 1919.

But if, at the beginning of the Russian mobilization, Germany had still wanted to wait for a declaration of war from the Russian side, upon the calculation that Russia would limit herself to a mere mobilization without declaring war, then Germany would have lost this advantage, which in that case would have fallen to Russia. Germany could not incur this hazard, and for that reason Russia's mobilization called forth mechanically, as it were, the German mobilization.

It is possible that there are people who reach the conclusion that Germany might have restricted herself to a mere mobilization; but such a procedure would have had the same disadvantageous result, though in a slighter degree. The above-mentioned advantage referred not merely to mobilization, but chiefly to the possibility of being able to begin immediately the march into hostile territory. To mobilize her army and then permit her enemies to do the same without molestation, would have been equivalent to throwing away her best trump card—namely, to attack her enemies while they were not yet through with their mobilization. Consequently, the Russian mobilization meant for Germany the necessity of declaring war, without wasting a single day.

There is quite certainly a difference. Germany had to answer the Russian mobilization with a declaration of war; we were able to confine ourselves to a mere mobilization, inasmuch as it lay in our advantage to postpone the time for declaring war, if it should turn out to be necessary.

These lines of Gurko characterize so fittingly the position of stress in which Germany was placed by the announcement on July 30 of Russia's mobilization order, that we can add nothing better to them.

A few words in conclusion about Sazonov's assertion in the preface already mentioned, that Russia's preparation for war was "in every respect pitiable and hopelessly backward." Wise after the event! Or did Sazonov, in spite of Russia's "pitiable and hopeless backwardness," follow, in conjunction with Izvolski and Poincaré, a policy which necessarily led to war? Did he wrest the mobilization order from the Czar on July 29 and 30 although he knew that Russia was not ready for war? All the greater was his fault! But at that time, in 1914, he was of a different conviction. On March 12, 1914, as is well known, the

St. Petersburg *Bourse Gazette* declared that "Russia no longer fears any foreign threats," and that "the chief objective of the national defense had been reached," that, in contrast to the former defensive character of the plan of operations, the army would now play an "active rôle." "Our artillery possesses guns," the article continued, "which are in no way inferior to the foreign models. Our coast and fortress guns are even superior to those of other countries. * * * Russia, like her ruler, wishes peace, but she is armed for the eventuality of need."

RUSSIA READY FOR WAR IN 1914

This article, as is now known, had as its author Sukhomlinov, the Minister of War. Whether the Foreign Minister saw this article before or after publication is not known; at any rate, he was all the better informed about his country's excellent condition and its complete readiness for war by reason of the fact that a few months before this, at a meeting of the Ministerial Council held Dec. 31, 1913 (new style, Jan. 13, 1914), the War Minister and the Chief of the General Staff had "categorically declared Russia's complete readiness for the duel with Germany, not to speak of a duel with Austria."¹⁸ This declaration was not intended for readers or hearers who were to be overawed or encouraged. It was an official declaration of the Minister in the ordinary course of his duties, made in a Cabinet council, which must needs serve the Foreign Minister as the basis of his foreign policy.

In June, 1914, the War Minister once more caused it to be proclaimed to the world through the press: "Russia is ready and hopes that France will also be ready!"

Has Sazonov now forgotten all these utterances, which bore a more or less official character? A modern Russian military writer seems to us to possess a higher degree of honesty than the ex-Minister of Foreign Affairs; he writes: "Our diplomatic readiness for war was excellent, the military and financial tolerable."¹⁹

BERLIN, GERMANY.

¹⁸*Rotes Archiv*, Vol. 7, 1924, page 48.

¹⁹A. Swjetschin: *Strategie*. Staatlicher Militärverlag. Moscow, 1926.

Latest Phase of Evolution Controversy

By WATSON DAVIS

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NEARLY two years ago an unknown high school teacher in a town hitherto unknown to fame was arrested for teaching evolution, a new crime created by the Legislature of Tennessee. There resulted the famous Scopes trial of Dayton, with W. J. Bryan and Clarence Darrow as the principal antagonists. Today, in the opinion of those who have attempted to wipe this blot off the statute books of Tennessee by carrying Scopes's conviction before the State Supreme Court, a substantial although not complete victory for science has been won. Scopes was freed from his fine of \$100 on a legal technicality, and though the Judges did not actually declare the law unconstitutional, they did, in ordering that a *nolle prosequi* be entered, evidence a desire to rid the State of the unfavorable notoriety that it had achieved. Any district attorney who attempts to bring before the courts of Tennessee another such anti-evolution case must be brave indeed.

The decision of the Tennessee Supreme Court when analyzed shows that two of the four Judges decided that Scopes by teaching the scientific theory as to the evolution of man, without denying his divine origin, had not committed any offense under the act, while the other two Judges further limited the scope of the act so as to permit teachers to read to their students about the scientific theory of evolution, including the generally accepted scientific theory as to the evolution of man. In fact, because of this modification of the law by judicial decision, the anti-evolution battle in Tennessee has shifted from that between evolution and religion to that between materialism and religion.

As pointed out by Henry F. Colton, one of the defense counsel, of the four Judges who heard the case one held the act unconstitutional because of uncertainty, another held in substance that the mere teaching of the scientific evolution theory

as to the origin of man was not a crime unless materialism, atheism, or the denial of man's divine origin accompanied such teaching; and the other two made a clear distinction between "teaching" and "reading," as in the case of required readings from the Bible, a distinction that, carried further, would differentiate between teaching evolution and simply reading about it without comment. The Scopes decision viewed in this light is considered an effective limitation to the anti-evolution law.

In the Legislatures of some half dozen States bills modeled upon the Tennessee anti-evolution law are pending. Although the chances seem to be that they will not be successful, some may become law by the time this article is printed. In interpreting these possible laws and that passed last year in Mississippi the Tennessee decision will be important. In scientific circles there is gratification that the conflict has shifted somewhat from the issue between science and religion to an arena more nearly included within the field of religion. From the beginning the conflict was one of modernism versus fundamentalism and an attempt to prevent the unconstitutional establishment of a State religion. Evolution and the science of biology seem to have been picked upon by the fundamentalists as symbols of modernism. Successful and unhampered as the teaching of evolution may be under the judicially modified laws, all scientists will consider the modernist viewpoint in the remaining conflict as their very own.

MORE RESEARCH NEEDED

As a champion of the application of science to business Secretary of Commerce Herbert Hoover has won admiration and thanks in the last few years. In a recent address before the honorary scientific society Sigma Xi he emphasized the value of pure science to the commercial world. "Business and industry have realized the vivid

values of the application of scientific discoveries," he said. "To further it in twelve years our individual industries have increased their research laboratories from less than 100 to over 500. They are bringing such values that they are increasing monthly. Our Federal and State Governments today support great laboratories, research departments and experimental stations, all devoted to applications of science to the many problems of industry and agriculture. They are one of the great elements in our gigantic strides in national efficiency. The results are magnificent. The new inventions, labor-saving devices, improvements of all sorts in machines and processes in developing agriculture and promoting health are steadily cheapening cost of production, increasing standards of living, stabilizing industrial output, enabling us to hold our own in foreign trade, and lengthening human life and decreasing suffering. But all these laboratories and experiment stations are devoted to the application of science, not to fundamental research. Yet the raw material for these laboratories comes alone from the ranks of our men of pure science, whose efforts are supported almost wholly in our universities, colleges and a few scientific institutions. We are spending in industry, in Government, national and local, probably \$200,000,000 a year in research for applications of scientific knowledge—with perhaps 30,000 men engaged in the work."

Contrasted with this application of science to industry there is the primary activity of ferreting out new scientific facts. It is for more liberal support of pure scientific research that Mr. Hoover is now striving. "The day of genius in the garret has passed, if it ever existed," he declared. Nowadays, as he pointed out, "discovery must be builded upon a vast background of scientific knowledge, of liberal equipment. It is stifled where there is lack of staff to do the routine, and valuable time must be devoted to tending the baby or peeling potatoes or teaching your and my boys. The greatest discoveries of the future will be the product of organized research free from the calamity of such distraction. Yet the whole sum we have available to support pure science research is less than \$10,000,000 a year, with prob-

ably less than four thousand men engaged in it."

BIOLOGICAL STATISTICS

Biology has usually been considered a non-mathematical science, yet many biologists realize today that to advance quantitatively their science must be put upon a statistical basis. One of the leaders in the application of statistics to biology is Dr. Raymond Pearl, director of the Institute for Biological Research at Johns Hopkins University, who defines vitality as meaning "the degree of intensity of vital actions." Taking the ability of fruit flies to resist starvation and the rate of growth of cantaloupe seedlings as examples of vital actions, Dr. Pearl has found that the individual differences in "aliveness" involved in both processes in these widely different classes of organisms are practically the same. The eminent biologist displayed a chart on which curves plotted from the data accumulated from a long series of laboratory experiments showed the substantial identity of the distribution of inherent vitality in such diverse forms of life as an insect and a melon seedling. "These facts," said Dr. Pearl, "would seem to indicate that in the concept of inherent vitality here developed we are dealing with a matter of real biological importance. The direct approach to the study of the action-pattern of organisms opens a vista of entertaining possibilities in biological research. We are busily engaged in my laboratory at the present time in exploring some of these possibilities, and hope to be able to report upon them in the not too far distant future."

THE SUN-SPOT CYCLE

Sun spots and their well-known eleven-year periodicity have been blamed for many things that happen on earth. Although they have not been culpable in many cases, it is true that the activity of the sun varies with the spots that can be seen upon its face. Reports from Miss Hazel M. Losh and Dr. Seth B. Nicholson of the Mount Wilson Observatory, California, which indicate that the activity of the sun as measured by the sun-spot cycle is increasing and will probably do so until the end of 1927 or the beginning of 1928,

are therefore interesting. Sun spots were at a minimum in 1923. Since then they have been increasing in number. During the last few months the solar activity has been about as great as in 1917, when the last maximum occurred. But there is a difference. In 1917 the spots were near the equator of the sun, as they always are when the cycle has reached its height. Last Fall the spots, though numerous, were nearer the poles of the sun than in 1917. This indicates that the maximum has not yet been reached. If the maximum comes about a year from now the sun-spot period will be only about ten years long, a year shorter than the normal period. Dr. A. E. Douglass of the University of Arizona suggested that such a variation in the sun-spot cycle may have occurred in the past. His researches show a relation between tree rings and sun activity. From 1748 to 1788, for example, Professor Douglass' studies of the trees show, there were four cycles of ten years each, while in the following forty-two years there were only three cycles of fourteen years each. Dr. Douglass' studies are based on the fact that the tree rings, which represent growth of a tree during the year, vary in thickness with the amount of moisture that they receive during the growing season, and that rainfall varies with the sun spots. By studying old trees, such as the giant sequoias in California and other old trees in Arizona, the past activity of the sun may thus be traced.

VARYING SIZE OF THE EARTH

The startling suggestion that the earth cannot be relied upon to remain the same size but that it swells and shrinks at irregular intervals has been made by Dr. Walter D. Lambert of the United States Coast and Geodetic Survey. Such a variation in the size of the earth would alter its rate of rotation and so upset our universal time-piece, for the length of day is our measure of the lapse of time. Professor E. W. Brown has pointed out that such a variation in our unit of time might account for the apparent irregularities in the motion of the moon that have made it impossible to predict exactly where our inconstant satellite will appear at an eclipse. Dr. Lambert thinks it may also account for

inexplicable variations in latitude, or, what is the same thing, the apparent wandering of the pole. For some years before 1918 the North Pole appears to have moved progressively toward North America and then to have turned aside without apparent reason and moved toward Europe. Comparatively slight expansion and contraction of various parts of the earth's surface might account for such disconcerting discrepancies in our standards of time and space.

A FREAK OF NATURE

Great interest was aroused in anthropological circles recently when the discovery of another relic of *Pithecanthropus erectus* was reported from Java. Anthropologists, however, have now decided that this supposed brother of the Java ape-man that Dr. Eugene Dubois of Holland discovered over a quarter of a century ago is in reality a most unusual freak of nature. Photographs received in America and Europe from Dr. C. E. J. Heberlein, discoverer of the "skull," caused scientists to agree that the so-called skull is the leg bone of an ancient elephant preserved by some remarkable chance so that it happens to resemble closely the form and size of a prehistoric human skull. The bone represents a portion of the head of the humerus, the main bone of the foreleg of the elephant. The period in which the prehistoric animal lived is placed by the anthropologist as probably Pliocene, which would be close to a million years ago, by a general estimate. The clue which revealed the identity of the specimen was the porous-looking material beneath the rounded outer surface. In life this was the spongy-appearing material within the bone, which enables the bone to withstand stress and weight. A thin layer like this would be found within a skull, but the presence of a thick mass convinced the scientists that the fossil relic is the ball-like end of the giant leg bone of an elephant.

TESTS OF FUEL FOR POWER

In a civilization so dominated by power as ours is, the question of making energy available in automobiles or stationary power plants is of major importance. The automotive engineers of the country have

been discussing the question as to what fuel gives the most miles per gallon most satisfactorily when used in American automobiles. One of the conclusions startling to the average driver is that the ten miles per gallon obtained is independent of the ease with which the gasoline evaporates. The experts therefore conclude that the heaviest fuel is the most economical. Other conclusions arrived at after four years of tests on the part of the United States Bureau of Standards, the research department of the Society of Automotive Engineers, ten automobile companies and the petroleum industry are:

Gasoline consumption is somewhat greater in Winter than in Summer.

Dilution of crankcase oil is consistently greater the heavier or less volatile the fuel.

Dilution of crankcase oil is much greater in cold weather than in warm.

Small differences in the initial volatility of the fuel have a large effect on engine starting.

Starting performance of the fuel is the quality most readily noted by the driver.

Economy dictates the use of as heavy a fuel as possible, but a practical limit in this direction is set by the dilution of crankcase oil and the difficulty in starting. On account of the limiting factor of the thinning of the crankcase oil, an extensive survey was undertaken to determine the methods of reducing dilution. The following recommendations were made: Operate with high cylinder wall temperature; reduce the time required to reach normal operating temperature; always use as lean mixtures as practicable; operate with high oil temperature; ventilate the crankcase.

DOUBLE USE OF FUEL

Use of diphenyl oxide, a white chemical with a strong smell like geranium scent raised to the *nth* degree, is the latest device in the efforts of engineers to get double work out of every shovelful of coal that goes into the firebox. The method is simply that of using the chemical in one

boiler to run one engine, and then using the exhaust vapor from that engine, still very hot, to raise steam from ordinary water in a second boiler. Dr. H. H. Dow, of the Dow Chemical Company, has been experimenting with one of these bi-fluid boiler systems and states that it has proved itself quite successful and very economical of fuel. The idea of obtaining double use from the original firing of fuel was tried first with mercury as the liquid in the first, or high temperature, boiler. From certain points of view this metallic liquid is almost ideal, but its great weight and considerable initial expenses, together with constant losses, created engineering and economic difficulties. Furthermore, any leakage of mercury vapor is almost certain to be injurious to the workman in the plant, because mercury is exceedingly poisonous. For these reasons Dr. Dow sought another liquid that would be light, cheap and non-poisonous and still have a high capacity for carrying heat over into the second boiler to generate steam for the second engine. A number of organic chemical compounds were found to possess these qualities, but at the temperatures used in boilers they tended to break apart into other compounds for power purposes and to clog the boilers with carbonaceous material of no use for carrying heat. Diphenyl oxide, however, has been used and recondensed and used over again many times at a pressure of 200 pounds per square inch and a temperature of 800 degrees Fahrenheit with but little deterioration. It weighs only a little more than water, as contrasted with mercury, which is heavier than lead. Its price is only 30 cents a pound in quantity lots, which makes its cost, volume for volume, less than 2 per cent. that of mercury. The compound has been produced hitherto in comparatively limited quantities, because its only use has been in the perfume industry; but there is no limit to the bulk that can be manufactured if it is desired for power plant uses.



CURRENT HISTORY—PART II.

By the Board of Current History Associates

Peace Movements of Today

By JAMES THAYER GEROULD

Librarian, Princeton University

WE, the undersigned, convinced that all disputes between nations are capable of settlement either by diplomatic negotiations or by some form of international arbitration, hereby solemnly declare that we shall refuse to support or to render war service to any Government which resorts to arms." So runs the so-called Peace Letter, drafted by Arthur Ponsonby, M. P., Under Secretary of State for Foreign Affairs in the MacDonald Government, signed by 128,000 men, largely ex-soldiers, and sent to the Prime Minister. It has a familiar sound. Before the war, the same sentiments were incorporated in resolution after resolution passed by peace societies and by Socialist and labor organizations all over Europe.

On July 17, 1914, the International Socialist parties, in congress assembled, declared themselves for a general strike, should the threatened war break out. Fourteen days later, the complex machinery of the great war organization was in motion. Without distinction, it drew into its hopper pacifist and chauvinist; and turned them out a uniform product; each—German, French, Serb or Austrian—convinced that he was fighting for national self-preservation, that God was with his battalions, and that those on the other side were enemies, to be destroyed or rendered powerless. In every country the population was given elaborate instruction in hatred. It was called, you remember, "establishing the national morale." The printing presses turned out tons of pamphlets, each proving conclusively that, morally and legally, all the right was on one side and that the enemy was capable of every enormity. Nothing was too fantastic to be believed.

Only here and there did a pacifist dare to lift his voice, and he was speedily silenced. To refuse to join the national chorus was of all things the most contemptible; and wherever the machinery of the law could be employed against him, the scoundrel was imprisoned.

Even before the war was over, however, we began to see that there was substance in some of the pacifist's argument. War was, we admitted, a silly way of settling national disputes, and we began to talk of the "war to end war." When the armistice came and the world had leisure to count the costs and to attempt to reckon the profits, it found that the balance sheet was a hopelessly bad one. In no European country, certainly, did the gains begin to compensate for the losses. By the accident of circumstance, our own country seemed to show a longer list of credits; but when we have reckoned at their real value the immaterial charges against our account, the cost of the almost universal hatred that our war-won prosperity has engendered, the lives lost or ruined, the corruption of our moral standards, the profits may disappear. Bills for things such as these are not immediately presented, but they cannot be escaped and they never are outlawed.

It can hardly be questioned that, with the recognition of the futility of war, there has become established among most of the responsible statesmen of Europe, as well as in our own country, a profound and an active will to peace such as the world has never known before. Locarno represents a great international fact, far-reaching in its implications. The agreements that those treaties contain to arbitrate "all questions



THE NOBEL PEACE PRIZES

Mussolini: "And what about me?"

—Canard Enchaîné Paris

of every kind," is something quite novel to diplomacy. Against the inertia of traditional national advantage, in defiance of the criticism of the chauvinist Right and of the doctrinaire Left, in spite of the sneers of those who do not believe that progress is possible, the statesmen are slowly making their way. Never before have they had an opportunity to meet so frequently and to discuss international problems so informally and frankly. There is no doubt of the sincerity with which they desire the success of the Disarmament Conference, the Economic Conference, the enlargement of the field of international law and the industrial accords which promise so much for future economic stability. In detail, they do not, of course, agree, but they are willing when necessary to compromise.

The creation of international understanding and sympathy is a very slow process and is not to be accomplished in a single generation. The "foreigner" is, in every country, considered to be a very dangerous person, responsible for almost everything that goes wrong. In every country, too, there is a profound conviction that in intelligence, ability and morals he is an inferior. Individual foreigners, when we come to know them, we like very much, but collectively they are still a bad lot.

The answer to this is that the world is both ignorant and prejudiced; and that only as this ignorance and prejudice can be dissipated can we hope for the final establishment of world peace. We must be educated, emotionally as well as intellectually. It is the realization of this fact that has, during the last generation, shifted the emphasis of the peace movement. Of peace societies of the older sort there are in every country, and still will be, dozens; but while their aims are high and their efforts unremitting, they are not conspicuous by their accomplishment. As a part of the educative process, however, they have their use and their efforts should not be disparaged.

The peace organization, new style, aims more directly at the removal of the causes of war, by the development of facilities by which nations may learn something of the aspirations and accomplishments of their neighbors, by the progressive enlargement and codification of the body of international law and of the machinery for its effective application. The American Peace Society, in its declaration of principles, adopted in November, 1925, went to the root of the matter when it said: "Justice between nations and its expression in the law are possible only as the collective intelligence and the common faith of peoples

approve and demand." After enumerating the customary methods by which international understandings are reached—diplomacy, the League of Nations, mediation and arbitration—it records its belief in the necessity of two further steps:

1. Recurring, preferably periodic, conferences of duly authorized delegates, acting under instruction, for the purpose of restating, amending, reconciling, declaring and progressively codifying those rules of international law shown to be necessary or useful to the best interests of civilized States.

2. Adherence of all States to a Permanent Court of International Justice, mutually acceptable, and made use of for the determination of controversies between nations involving legal rights.

The Advocate of Peace, the society's monthly publication, is a well-edited and temperately written, somewhat popular presentation of world problems.

Of a more fundamental and scholarly sort is the work of the Council of Foreign Relations, to which, a few weeks ago,

Elihu Root gave the award of \$25,000 that had come to him from the Woodrow Wilson Foundation in recognition of his services for peace. *Foreign Affairs*, the quarterly journal which the Council publishes, is, in the breadth of its view, in the quality and standing of its writers, surpassed by no other similar publication, at home or abroad.

In establishing the Carnegie Foundation for International Peace, Mr. Carnegie directed that the income was to be used "to hasten the abolition of international war, the foulest blot upon our civilization." No other restrictions were placed upon the trustees. This is not the place to detail the variety and the character of the endowment's undertakings, but for sixteen years it has been at work studying the causes of war and the means for their prevention; promoting the development of international law and of international understanding; cultivating, by every means, friendly relations with foreign countries, and particularly with the Latin-American States. Editions of many of its publica-



TIRELESS PEACE WORKERS

The lucky inhabitants of China, Morocco and Syria send their congratulations to Chamberlain and Briand on being awarded the Nobel Peace Prize

—Izvestia, Moscow

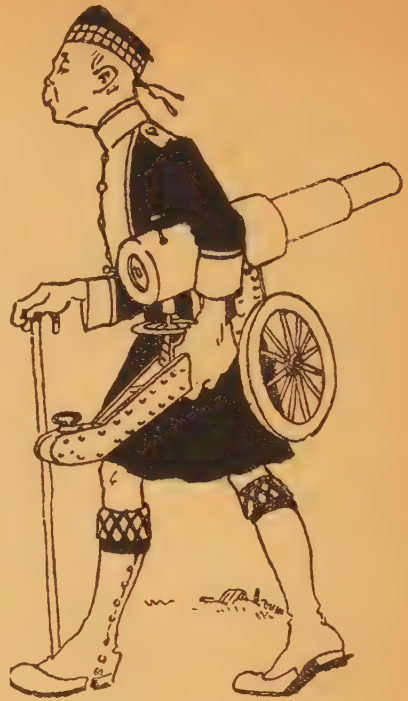
tions are issued in Spanish, some also in French. The endowment grants subventions to ten journals of international law, published in foreign countries, and to three societies, one at The Hague, one in England and one in France.

The World Peace Foundation, founded by Edwin Ginn, from its headquarters in Boston acts as the American agent for the distribution of the publications of the League of Nations, and does a very useful work in popularizing information regarding our foreign relations. During the last year, for example (1926) it published a very valuable documentary study, by Charles W. Hackett, Professor of Latin-American History at the University of Texas, of our relations with Mexico since 1910, and a summary statement of the development of the policy of arbitration by our Government.

The carefully prepared and well-written *European Economic and Political Survey*, issued by the American Library in Paris, and the similar publication of the Foreign Policy Association in New York are particularly useful as, in both cases, they are able to bring the record very near to date.

PEACE PUBLICATIONS IN EUROPE

In Europe there are dozens of similar organizations and publications. Mention should be made of the work of the International Intermediary Institute at The Hague, which is prepared to furnish gratuitously information on any matter of international interest, whether legal, economic or commercial. One publication, *L'Europe Nouvelle*, published in Paris, while definitely French in its point of view, gives international service of high character by its prompt publication of many documents conveniently available nowhere else. The German *Friedens-Warte*, exceedingly well edited by Hans Wehberg, devotes itself to the popular discussion of questions related to international law and relations. There has just appeared in Paris the first number of a new periodical, *The International Mind*, which, from the character of its backing and the distinction of its contributors, promises to be of great service. The title is significant, as it is toward the cultivation of the international mind that those who work for peace in all



JOHN BULL SPEAKS

"In the interests of world peace Germany must be forbidden to produce and deal in arms and munitions. I can do that business myself"

—Kikeriki, Vienna

countries are striving. It is opposed to nationalism only in so far as nationalism is extreme and parochial. It seeks only for fair play.

In a recent address, Dr. James Brown Scott called attention to definitions of diplomacy by three great Americans. To John Hay, it was simply the application of the Golden Rule. Elihu Root's statement of it was very similar: "We must be sure that, in all of our international intercourse, the view which we propose is both right and just, and the test of justice is such as we ourselves would accept if the situation were reversed." From a slightly different point of view, Grover Cleveland expressed the same idea: "The rules of conduct governing individual relations between citizens or subjects of a civilized State are equally applicable as between enlightened nations." When we shall have achieved the acceptance of these principles, we shall have attained universal peace.

Foreign and Domestic Policies Before Congress

By WILLIAM MacDONALD

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ALTHOUGH the development of strained relations between the United States and Mexico and Nicaragua, and the emergence of a difficult situation for American interests in China, have not directly affected the routine legislative work of Congress, they have served to divert public attention somewhat from domestic matters, and have intensified certain elements of opposition to President Coolidge which had already shown themselves earlier in the session. To an acrimonious discussion of these phases of the Administration's foreign policy has further been added some obvious manoeuvring for position on the part of aspirants for the Presidential nomination in 1928. Neither of these latter aspects of current American politics is unusual. Foreign affairs, whenever they have seemed to be acute, have almost always relegated domestic interests to second place in the public interest, and most of our recent Presidential contests have cast their shadow at least eighteen months before the dates of the nominating conventions.

THE ILLINOIS SENATORSHIP

The expected battle over the admission of Colonel Frank L. Smith, Republican Senator-elect from Illinois, began on Jan. 19, when Colonel Smith presented himself as the duly accredited appointee of Governor Small to serve for the unexpired portion of the term of the late Senator McKinley. Technically, the charge that Colonel Smith was morally unfit because of the lavish expenditure of money in the primary campaign in which he was elected did not affect his legal status as an *ad interim* appointee, but it was generally understood that whatever action was taken would be regarded as a precedent when he presented himself next December as a member-elect of the new Congress,

and that the precedent might also govern the treatment of the case of Senator-elect Vare of Pennsylvania, against whose primary campaign charges of corruption have been made.

Senator Deneen of Illinois, who appeared in behalf of Colonel Smith, urged that he should be seated and his credentials referred for examination to the Committee on Privileges and Elections. The weight of precedent, he argued, favored this course. To this request Senator Reed of Missouri, Chairman of the Senate committee which investigated the Illinois election, replied that, although Colonel Smith's credentials were apparently in proper form, the Senate already had before it evidence showing "such fraudulent conduct by the applicant as to prove his personal unfitness," and that it would be "a ridiculous performance" to administer the oath and then hold a hearing. On Jan. 20, by a vote of 48 to 33, the Senate refused to seat Colonel Smith, and sent the case to the committee with directions to report "at the earliest possible moment." Fifteen Republicans, 32 Democrats and 1 Farmer-Labor Senator voted for the resolution, and 29 Republicans and 4 Democrats against it.

At the committee hearings, which began on Jan. 22, former Solicitor General James M. Beck, who appeared for Colonel Smith, argued that there was no evidence to show that the latter "had violated any laws or had been guilty of any act involving moral turpitude" in connection with his election, and that the right of the State of Illinois to be represented in the Senate by two Senators of its own choosing was a constitutional right which the Senate might not infringe. The famous case of John Wilkes, who was four times excluded from the House of Commons before he was finally allowed to take his seat, was cited in sup-



THE WAR SEEMS TO BE HERE AT HOME

port of the contention that the people have a right to choose their representatives "whether they do it wisely or not." Mr. Beck declared that if it was illegal "for rich men to contribute to campaigns, I should like to know how many Senators have been thus aided in these past fifty years." The hearings had not been concluded when this article was written.

More than a week before the Smith case came up the Senate, on Jan. 11, had directed the Reed committee to inquire into the election of Representative William S. Vare as a Republican Senator from Pennsylvania. It was announced that the ballot boxes used in the election would be transferred to Washington and stored there until after the close of the session, when the inquiry would begin.

THE DEMAND FOR PREPAREDNESS

The controversy which began shortly before the holidays between Congress and the President over the construction of three cruisers called for by the 1924 program developed, early in January, into something resembling a general demand for increased military and naval preparedness.

After a statement by Secretary of the Navy Wilbur that the Butler ten-cruiser bill, providing for the elevation of the guns of certain cruisers, "will not be in conflict with the President's financial policy," but that if the bill were passed the President would oppose the immediate construction of the three 1924 cruisers, the Naval Affairs Committee of the House reported on Jan. 15 that the elevation of the guns on thirteen cruisers would not contravene the Washington naval treaty, but that the President should decide whether or not the work should be undertaken.

Two days later the Appropriations Committee of the Senate voted to include in the navy bill an appropriation of \$1,200,000 to begin work on the three cruisers, together with \$200,000 to start the building of two rigid airships, to which Mr. Coolidge also objected, and other items considerably increasing the aggregate amounts for the naval and air service contained in the bill as passed by the House. Informal statements of Mr. Coolidge's opposition, joined to the suggestion that the proposed action of Congress would impede negotiations for another disarmament conference, were without effect in checking the preparedness demand, and on Feb. 1 the amended naval bill passed the Senate. The vote of 49 to 27 overrode party lines, 24 Republicans and 25 Democrats voting for the measure, and 18 Republicans, 8 Democrats and 1 Farmer-Labor Senator voting in opposition. The appropriations carried by the bill aggregated \$320,000,000.

With the insistence upon a larger navy went also a demand for a larger army. In reporting on Jan. 13 the army appropriation bill for the next fiscal year, the Appropriations Committee of the House proposed, in addition to other things, the maintenance of the army at the present figure of 118,750 men in place of 115,000 men contemplated by the budget. Some uncertainty regarding the military plans of the Administration, notwithstanding the



HON. JOHN J. SPELLBINDER, "SLUSH FUND" ARTIST, ARRIVES
AT THE GOLDEN GATE
—*Sioux City (Iowa) Tribune*

reduction in the army personnel made by the budget, was indicated when Secretary of War Davis, on Jan. 18, transmitted to the House Committee on Military Affairs the draft of a measure which provided for increasing the strength of the army, over a period of ten years, from 115,000 to 165,000. Accompanying the bill was a statement that the increase was not recommended at this time "for reasons of economy."

On Jan. 20 the regular army bill, appropriating \$357,000,000 and with the figure of 118,750 men restored, was passed by the House by the overwhelming vote of 235 to 4, and sent to the Senate. Mr. Coolidge's only response was the declaration, in his address at the semi-annual meeting of the business organization of the Government on Jan. 29, that "what we need, and all that we need, for national protection is adequate preparedness," that he himself was "for adequate military preparedness," but that "not only should we refrain from any act which might be construed as call-

ing for competition in armament, but rather should we bend our every effort to eliminate forever any such competition."

FARM RELIEF AND BANKS

The breaking down of party lines in Congress has been further illustrated by the action taken on the McNary-Haugen Farm Relief bill, the most conspicuous of several measures which aim to afford financial aid to the farmers. The bill, which in its present form provides a Federal revolving fund of \$250,000,000 to be used in aid of marketing the surplus of corn, wheat, rice, cotton and hogs through advances to be repaid by an equalization fee imposed upon those commodities, was approved by the Agricultural Committee of the House on Jan. 13 by a vote of 13 to 8, eight Republicans and five Democrats supporting the bill and four Republicans and four Democrats opposing it.

On Jan. 22 the bill was also favorably reported by the Senate Committee on Agriculture, with two members absent and the others voting unanimously in the affirmative.

It was announced on Feb. 2 that the Senators who favor the McNary-Haugen bill were preparing to join forces with the supporters of the McFadden Branch Banking bill to secure early action on the two bills in the Senate, notwithstanding that the advocates of the one bill had in each case been strongly opposed to the passage of the other. The McFadden bill, an omnibus measure which has been before a conference committee since May, 1926, provides in addition to other things for the regulation of branch banking by national banks, and the indefinite extension of the charters of the Federal Reserve banks, which do not expire until 1934. The acceptance by the House on Jan. 24 of certain amendments upon which the Senate had insisted was regarded as an important step toward the passage of the bill,

provided the opposition of the farm relief Senators could be overcome.

PREPARING FOR 1928

Although Mr. Coolidge has made no statement regarding his hopes or plans for another term of office as President, the growing disregard of party lines in Congress, together with a weighty body of protest in Congress and throughout the country against the policy of the Administration in Mexico and Nicaragua, has increased rather than lessened speculation about the Republican outlook in 1928. The supporters of the McNary-Haugen bill, in particular, have made no secret of their belief that, if the bill failed of passage because of Mr. Coolidge's opposition or if, having been passed, it should be vetoed, the West would support Frank O. Lowden of Illinois for the Republican Presidential nomination against Mr. Coolidge.

The Democrats have had anxieties of a different kind. The announced candidacy of Governor Smith of New York, although apparently well received in many quarters, has raised the spectre of a religious issue. Governor Smith is a Catholic, and on that account has been reported as unpopular in the South, where there is also considerable support for prohibition. On the other hand, a "broadside of criticism of prohibition law violators," especially in New York, fired by William G. McAdoo, a stubborn contestant for the Democratic nomination in 1924, in a speech at Toledo, Ohio, on Jan. 28, evoked outspoken opposition from many Democratic leaders, and led to the suggestion that both Governor Smith and Mr. McAdoo might have to be eliminated as candidates. Neither party, accordingly, has seemed to be in a position to view the coming Presidential contest without apprehension.

The Mexican Crisis and Intervention in Nicaragua

By CHARLES W. HACKETT

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DEVELOPMENTS in connection with the diplomatic *impasse* between the Governments of the United States and Mexico occasioned by the new Mexican petroleum and alien land laws have competed for the command of general interest throughout January with the policy of the United States Government in landing marines in Nicaragua and establishing neutral zones there for the avowed purpose of safeguarding the Monroe Doctrine and protecting alike the interests of the United States Government and the lives and property of its nationals.

The first step indicating an intention of the Mexican Government to enforce the provisions of the oil law was taken by President Calles on Jan. 4. At that time he called upon the Department of Industry,

Commerce and Labor to furnish the Attorney General with the names of individuals or companies that had not applied for ratification of their rights under the law, prior to its having gone into effect on Jan. 1, 1927, in order that judicial proceedings might be instituted against them. Seven days after this action was taken Foreign Minister Sáenz took occasion to reiterate in a formal statement that in the enforcement of the petroleum law or of any other law Mexico would not "fail to recognize rights legitimately acquired by any person."

In compliance with the instructions of President Calles, the Department of Industry, Commerce and Labor on Jan. 14 delivered to Attorney General Ortega the first of its citations of oil companies which



MAP OF CENTRAL AMERICA

failed to apply for ratification of their rights under the petroleum law. The next day five drilling permits were canceled which had been granted, after Jan. 1, 1927, to two American petroleum companies which had not complied with the petroleum law. On Jan. 26 the Mexican Government was reported to have canceled thereto 149 drilling permits which had previously been issued to companies which did not comply with the new petroleum law before Jan. 1. At the same time it was reported that the Mexican Government had ordered the suspension of drilling operations on 25 wells because of the failure of operating companies to comply with the petroleum law.

By canceling drilling permits and ordering the suspension of drilling operations the question of the violation of the property rights of American petroleum companies became one for the Mexican courts to pass upon, and to the courts the American petroleum companies appealed.

On Jan. 19 it was reported that a total of thirty-one petroleum companies, including a number of American ones, had filed injunctions against the legislative and executive branches of the Mexican Government for enacting and enforcing the new petroleum law and its regulations. The same day the demands of three companies were heard and a temporary injunction was granted, good for seventy-two hours, while the courts investigated the cases. By Jan. 23 approximately 100 injunctions of widely differing form had been filed in the Mexican courts by petroleum companies, and in all cases temporary injunctions had been granted.

At the expiration of the period of the temporary injunctions various district courts refused to issue permanent blanket restraining orders against the operation of the law in its entirety, but did grant temporary orders protecting specific pieces of property against certain provisions of the

law. On Jan. 27 Attorney General Ortega requested the district courts to speed up action on the injunctions filed with them by the petroleum companies in order that such cases might reach the Supreme Court as soon as possible. Two days later it was reported from Tampico that a district court in the State of Vera Cruz had virtually granted a permanent injunction restraining the operation of the new law pending a final decision by the Supreme Court as to its constitutionality.

The Mexican Ministry of Industry, Commerce and Labor announced on Jan. 21 that of 147 petroleum companies operating in Mexico, all but twenty-two had accepted the petroleum law. From Washington it was reported three days later that assurances had been given the Department of State that the companies opposing the petroleum law represented 88 per cent. of the oil production in Mexico. The Mexican Embassy in Washington on Jan. 27 announced that prior to Jan. 1, 1927, a total of 643 applications for "confirmatory concessions," representing 26,833,330 acres, had been filed with the Ministry of Industry, Commerce and Labor, as was required by the petroleum law that went into effect on Jan. 1, 1927. Of the above total number of applications, 320 of them, representing 9,772,224 acres, had been on oil rights derived from contracts made from May 1, 1917, to Dec. 31, 1926, thereby leaving 323 applications, representing 17,061,106 acres, on oil rights derived from contracts made prior to May 1, 1917. At the same time the Embassy announced that the number of companies refusing to make application for confirmatory concessions before Jan. 1, 1927, represented a total of only 1,660,579 acres, or 5.83 per cent. of the total acreage.

LAND LAW ACCEPTED

The Mexican alien land law became effective on Jan. 21, 1927. Under this law and the regulations therefor all aliens who owned property before the law went into effect were required to file a declaration of such ownership and a statement describing the property and its "title of acquisition" before the Department of Foreign Relations, under penalty of forfeiture in case of failure to do so.

The most vigorously controverted point in connection with this law is to be found in Article 9 of the regulations therefor, which reads:

In the case of foreign corporations possessing 50 per cent. or more of the interest or stock of one of the aforementioned Mexican corporations [that is, one owning rural property for agricultural purposes], any title secured before the promulgation of the law referred to but after May 1, 1917, said foreign corporation may continue this participation if it does not exceed 50 per cent.; but it is obliged to relinquish the excess within the limit of ten years, counting from the date of the law referred to.

This provision has been interpreted by Secretary Kellogg to mean that "a plainly vested interest * * * is divested by compelling the holder, without his desire or consent, to dispose of the same within a limited time under conditions which may or may not be favorable to the transfer." Such a "conception of a vested right," Secretary Kellogg stated, "cannot be accepted by my Government."

In order to facilitate the filing of declarations required of alien land owners, the Mexican Government on Jan. 5 announced that it would accept such declarations without the formality of their being filed with the Secretary of Foreign Relations or with consular or diplomatic officers outside of Mexico, it being necessary only for the documents "to be made out in duplicate, signed by the interested party and mailed directly to the Secretary of Foreign Relations in Mexico City or delivered to the Mexican Embassy or the nearest Mexican Consulate."

Dispatches from Mexico City on Jan. 22 stated that before midnight of Jan. 21 between 8,000 and 10,000 aliens had complied with the alien land law by filing necessary declarations with the Ministry of Foreign Relations. Later dispatches stated that many additional registrations were being received from foreign countries by mail. These statements indicated that the alien land law had been accepted by a good proportion of alien holders of Mexican property.

Arbitration of the controversy between the United States and Mexico over the petroleum and alien land laws was suggested early in January and sentiment favoring



ON THE BRINK

—N. E. A. Service

such action gained great momentum before the end of the month. President Calles on Jan. 8 informally advised a group of visitors from the United States who were studying conditions in Mexico that Mexico would be willing to submit the controversy to The Hague Tribunal. Three days later Mexican Foreign Minister Sáenz asserted that the General Mixed Claims Commission, established by the Claims Convention between the United States and Mexico on Sept. 8, 1923, and functioning in Washington, already had the jurisdiction for adjudicating the claims arising from the proposed enforcement of the two laws. Article I of the convention seems to confirm the assertion of the Mexican Foreign Minister. Senator Borah, Chairman of the Senate Foreign Relations Committee, in a speech delivered in the Senate on Jan. 13, proposed "to the Mexican people that the controversy in reference to land should be submitted to arbitration." By the middle of January, as the result of expressions from Congressmen, clergymen, college Presidents, faculties and student

organizations, civic and professional clubs, peace organizations and newspaper editorials, the American sentiment for arbitration had been multifariously expressed. On Jan. 18 Senator Robinson, Democratic floor leader, offered a resolution proposing arbitration of the controversy over the "alleged retroactive and confiscatory provisions of the petroleum and alien land ownership statutes." Upon being shown this resolution Secretary Kellogg stated that he saw "nothing inappropriate or untimely in an expression on this subject by the United States Senate; and I welcome it * * *". For some time I have been giving very careful consideration to the question of the definite application of the principle of arbitration to the existing controversy with Mexico."

Meanwhile sentiments favoring arbitration had been growing in Mexico and on Jan. 20, Mexican Foreign Minister Sáenz in a formal statement asserted that "the Mexican Government declares that it is ready to accept in principle that its difficulties with the United States should be decided by arbitration."

The following day (Jan. 21), the United States Senate Foreign Relations Committee, by a vote of 13 to 3, reported favorably the Robinson resolution, after it had been amended so as to give emphasis to the duty of the Government to guarantee protection to American property rights. The Robinson resolution was adopted by the Senate on Jan. 25 by a vote of 79 to 0. As adopted the resolution reads:

That while, by virtue of sovereignty, the duty devolves on this Government to protect the lives and property of its nationals, which duty is not to be neglected or disregarded, it is, nevertheless, sound policy consistent with the honor and best interest of the United States and promotive of international peace and good-will to submit to an arbitral tribunal, which shall apply the

principles of international law, the controversies with Mexico relating to the alleged confiscation or impairment of the property of American citizens and corporations in Mexico; the arbitration agreement to provide for the protection of all American rights pending the final outcome of the arbitration.

That in good-will and friendliness efforts should be made and persisted in to effect arrangements which will commit the two Governments to the policy of abiding by and executing awards that may be made in consequence of such arrangements to arbitrate.

Meanwhile President Coolidge was authoritatively reported as having made it known on Jan. 21 that he was opposed to the arbitration of the controversies with Mexico, since the only issue, as he understood it, was whether property legally owned by American citizens in Mexico was to be confiscated. This stand of the President indicated that there was an apparent discrepancy between the pronouncements of Secretary Kellogg and the statements coming from the White House; the passage of the Robinson resolution by a unanimous vote indicated that a clear issue had been drawn between the United States Senate and the President over the question of arbitration with Mexico.

AMERICAN POLICY IN NICARAGUA

The attitude of the United States Government toward the Nicaraguan situation to the date when this article went to press had remained unchanged since President Coolidge, on Jan. 10, as narrated in the February number, sent his special message to Congress outlining events that had seemed to him to justify the landing of marines and the establishment of various neutral zones in Nicaragua. At that time, Admiral Latimer, U. S. N., had under his command off the Nicaraguan coasts and in Nicaragua a total force of six cruisers, seven destroyers, one transport, one minesweeper, including 215 officers, 3,900 bluejackets and 565 marines. No withdrawal of any of these forces occurred; on the other hand, the establishment of three additional neutral zones in Nicaragua was announced by the Department of State on Jan. 10. In one neutral zone, twenty-five

miles up the Escondido River, 300 marines had been stationed by Jan. 12. To replace the 160 bluejackets, who on Jan. 6 had been sent to Managua, 300 marines were disembarked at Corinto on Jan. 30 from the U. S. S. Argonne.

Few military developments of an important character occurred in connection with the Liberal revolution led by Juan B. Sacasa against the Conservative régime, headed by Adolfo Díaz, recognized by the United States Government. Late in January a Managua dispatch reported that the Liberal forces under General Moncada—the outstanding Liberal military leader—were ascending the Grand River in the direction of Matagalpa, but that the Conservatives, having that day received a large shipment of war materials from the United States, were ready for emergencies with 4,000 troops. On Jan. 31 Sacasa, the Liberal contender for the Presidency, asserted that “the defeats which the Liberals have inflicted on Díaz’s forces are decisive.”

Aside from military developments, both Díaz and Sacasa waged extended verbal campaigns of justification for their respective causes during January. In a statement addressed to the American and foreign public on Jan. 2; in a wireless message to *The New York Times* on Jan. 8, and in a statement given The Associated Press on Jan. 10, Díaz reiterated his charges that the “Calles Government” had furnished aid to the Liberals, and sought to justify solicitation which he had made for “the friendly aid of the United States.” In messages given to The Associated Press on Jan. 7 and to *The New York Times* on Jan. 9, Sacasa denied that the Liberals of Nicaragua opposed international agreements, such as the canal treaty with the United States; he also denied that lives and property had been endangered. He charged that the Liberals had been impeded in their legitimate activities and that the Conservatives had been “efficaciously supported” by the United States, and he expressed a desire “for cooperation and open friendship” with the latter country. In a message given to The Associated Press on Jan. 12 Sacasa stated that the assertion made by President Coolidge in his message of Jan. 10, that Mexican officers had fought in the Liberal army and that the Mexican Gov-



WHY SECRETARIES OF STATE RESIGN
Damned if they don't and damned if they do
—Des Moines (Iowa) Register

ernment was aiding the Liberals, was "absolutely erroneous." Upon receipt of the text of President Coolidge's message of Jan. 10, Sacasa on Jan. 23 again denied that American lives and property had been endangered in Nicaragua; that stability in Central America had been threatened; that the right of the United States to construct a trans-Nicaraguan canal had been jeopardized.

Various offers of mediation and peace proposals were made to or by the contending factions in Nicaragua in January. President Jiménez of Costa Rica offered his services in the interests of peace on Jan. 12. This and a similar offer by the Guatemalan Minister in Managua were both accepted by the Liberals, but were refused by Díaz on Jan. 17 and Jan. 22, respectively, on the ground that both Costa Rica and Guatemala had refused to recognize his Government. On Jan. 15 Díaz proposed to Sacasa a peace plan, the es-

entials of which provided that Díaz should be allowed to complete his term with the proviso that Liberals should be selected for executive and judicial posts and that free elections should be held in 1928 under the supervision of the United States Government. Eight days later (Jan. 23) Sacasa expressed a willingness to relinquish his claims to the Presidency to a non-party man, "suitable to the Nicaraguan people, chosen at an honest and supervised election, or to any one chosen through the mediation of the United States" and the other four Central American States "with the final approval of the neutral members of the present Congress, or by a new honestly chosen Congress." Coincident with the arrival of Admiral Latimer at Managua on Jan. 27 the Department of State announced that peace negotiations had been opened between the Nicaraguan leaders. The attitude of Sacasa was shown by his statement of Jan. 31; after asserting that his "forces would

control the country if the marines were not engaged in military operations against us," he predicted that "in due course the marines will have to open fire against the Liberals and kill hundreds of Nicaraguan citizens to support Díaz as in 1912."

ATTACKS ON MEXICAN-NICARAGUAN POLICY

The Mexican-Nicaraguan policy of the United States Government provoked bitter criticisms in the United States Congress; from numerous American and foreign individuals and organizations; and from many American and foreign newspapers. In the Senate, Senator Wheeler initiated the attack on the Administration's policy on Jan. 3, when he introduced a resolution demanding the immediate withdrawal of marines from Nicaragua on the ground that their landing had been unjustifiable and in violation of international law. The resolution had not been acted on as late as Feb. 1. On Jan. 7 Senator Borah, Republican

Chairman of the Senate Foreign Relations Committee, openly placed himself in a position of opposition to the President's Nicaraguan policy, and on Jan. 8 the Administration's policy was attacked by Senators Reed, Heflin and Wheeler.

Clearly upon the defensive, Secretary Kellogg made public on Jan. 12 for the first time evidence which he that day laid before the Senate Foreign Relations Committee and upon which he based his contention that the Calles Government in Mexico was attempting to establish in Nicaragua a Bolshevik régime, hostile to the United States. Full evidence was given of the "very definite ideas" of the Bolshevik leaders outside Mexico and other Latin American countries "with respect to the rôle" which they hoped Mexico and Latin America in general would "play in their general program of world revolution." The Kellogg memorandum also cited various resolutions passed by Bolshevik and Communist Congresses, including one resolution adopted at Chicago in 1925. The only evidence cited by Secretary Kellogg as proof that any Mexican official was even giving consideration to Bolshevism or Communism in Mexico was an excerpt from an address in the Mexican Congress by Deputy Treviño in 1925. This address merely contained an unfriendly charge that certain "reds" and Communist interests were receiving aid from the Soviet Minister and from Communists in Moscow.

Public opinion was quick to repudiate Secretary Kellogg's statements concerning Latin America as a base for Communist activities against the United States. Mexican Foreign Minister Sáenz on Jan. 13 cited a public statement by President Calles in 1925 to the effect that Mexico would not tolerate from Soviet officials "any abuse of good faith" or allow Mexico to be made the base "for the propaganda of principles" which Mexico did not uphold. The following day Deputy Treviño denied that Mexican Labor was communistic and stated that the Bolsheviks had no influence in Mexico.

The day after Secretary Kellogg had appeared before the Senate Foreign Relations Committee, Chairman Borah led a Congressional attack upon the Administration's Nicaraguan-Mexican policy. In

his speech Senator Borah did not refer to the Kellogg charges concerning Bolshevism; the previous day he had dismissed that subject by the statement that he was "already familiar with the facts brought out" by the Secretary of State. Emphasis was laid by Senator Borah upon the Nicaraguan situation. He criticized the recognition by the Department of State of Diaz as the Constitutional President of Nicaragua, and argued that Sacasa was the constitutional President of that country. He criticized the recent landing of marines in Nicaragua as part of an "unconscionable" policy that had been followed by the United States with respect to that country since 1912. He expressed the view that an election should be called to afford an opportunity for Nicaraguans to choose a President of their own, and said that the only justification for keeping marines in Nicaragua would be to prevent intimidation in the new elections. He denied that the Monroe Doctrine was involved in the Nicaraguan situation.

A resolution introduced by Senator Frazier on Jan. 21 expressed the sentiment that the President should not exercise the powers of Commander-in-Chief of the Army and Navy to send armed forces of the nation into Mexico, or to mobilize forces on the Mexican border while the Congress of the United States is not in session, and that in case he should contemplate such action after Congress adjourns it should be reassembled.

Meanwhile in the House of Representatives the fight upon the Administration's Nicaraguan policy was opened with the introduction on Jan. 8 by Representative Huddleston of a resolution calling for the withdrawal of marines from Nicaragua, in connection with which he defended Mexico. As part of his attack on Jan. 14 Representative Moore introduced a resolution declaring that there was nothing in the present situation to justify the United States in forcibly intervening in Mexico and stating that agitation for the rupture of relations with Mexico or intervention was "a criminal effort to substitute a state of war for the present peaceful conditions." On Jan. 15 Representative Moore advocated amending the Army and Navy Appropriation bill so as to restrict the use of

the army and marines without the consent of Congress except when American lives are actually endangered.

Criticism of the Administration's policy outside of Congress was general and gained headway throughout January. On Jan. 19 a petition which favored arbitration with Mexico and which contained the names of 445 prominent men and women, including a number of university and college presidents, was sent to President Coolidge. On Jan. 23 three petitions, all urging arbitration with Mexico, were sent to Washington—one signed by 101 university professors representing every section of the United States, another from the Federal Council of Churches of America and a third appeal from President Green of the American Federation of Labor. Some idea of the extent and nature of the criticisms

may be gained from two excerpts from editorials appearing in *The New York Times*. On Jan. 18 *The Times* said:

To say that the Washington Administration has remained entirely unmoved by all that has happened, especially by the many organized protests coming from South America, and by the expressions of adverse opinions in Europe, to say nothing of criticisms provoked at home, would be to make out its position worse than the facts warrant.

In a similar vein *The Times* on Jan. 23 commented as follows:

One thing that must have swayed the Washington Administration was the evidence that its Nicaraguan and Mexican démarche had made an unhappy impression abroad. In South America and in Europe the critics of America used biting language.

South American Views of Tacna-Arica Problem

By HARRY T. COLLINGS

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THE proposal of Secretary Kellogg (Nov. 30, 1926) that the disputed Tacna-Arica territory be ceded to Bolivia still hangs in the balance. The Alsace-Lorraine problem of South America has elicited much interest and comment because the controversy is no longer one between neighbors, but now involves the tranquillity of the whole continent. Moreover, this proposal of the State Department is regarded as part and parcel of our Latin-American policy.

South American republics take a keen interest in the foreign policies of the United States, the more so when these policies relate to Latin America. The South American press during the past month has commented freely upon Secretary Kellogg's Tacna-Arica plan, and upon the rôle we are playing in the affairs of Nicaragua and Mexico. The way of the arbitrator is hard. Whatever his decision,

opinions vary. One calls Secretary Kellogg's plan a "diplomatic bombshell"; another designates it as "an unprejudiced and commendable proposal." Some South Americans characterize the solution of the difficulty as "ideal," "practical," "commendable," and "the only solution," while other critics score it as "unfortunate," an "abysmal failure," "inconsiderate," and a "blundering formula."

The proposal to cede this disputed area to Bolivia, with certain reservations and with proper recompense to Chile and Peru, met with favor in Bolivia, and official acceptance of the conditions was forthcoming from the Bolivian Government within forty-eight hours. Bolivians see no other solution. *El Diario* of La Paz, Bolivia, reflects local opinion thus:

The cession of Tacna and Arica to Bolivia is undoubtedly the only solution. It not only creates a barrier between Chile

and Peru, but also realizes Bolivia's aspiration for an outlet to the Pacific, thus removing the sorest spot in inter-American relations. The cession of these territories either to Peru or Chile would never have satisfied public opinion in the "despoiled" nation. If both Peru and Chile set aside prejudice and sentimentality, they will realize that Bolivia's intervention really benefits them both by putting an end to their long nightmare.

On one point only in the proposal do Bolivian opinions differ—the feasibility and the justice of paying compensation to Chile and Peru for the improvements made in the area since the War of the Pacific (1879-84). On this point *La Razon*, an influential daily, says:

Admitting that we are to have these territories, can this country stand a new financial burden of such magnitude added to the unbearable load we now carry? And, going back to the origins of the conflict, is it just that after having acquired untold wealth and benefits from Bolivia's provinces during nearly fifty years of exploitation Chile should now be indemnified for what really belongs to us?

The Bolivian press ascribes the recalcitrant attitude of Peru to the personal ambition of President Leguia, "who places personal interests above those of his country."

Chile has had actual possession of the provinces since 1884, and acceptance of the American plan involves sacrifice. Despite this, Chilean sentiment favors the cession. Portraying the attitude of its readers, *El Mercurio* (Santiago), the leading Chilean journal, observes:

We must not be blind to the immense sacrifices asked from Chile. The abdication of our rights and the loss of territory which we justly consider our own, cannot be endured without suffering. The first point we must make clear is whether high motives warrant the sacrifice. The only motives which move the Chilean people are those inspired by the desire to put an end to an interminable dispute which has cost us all too much. Then there is the assurance that through our action peace will be fully guaranteed. We strive also to preserve and increase our commerce by having peace at home and abroad.

This view represents Chile's official at-

titude, since the Government accepted the proposal (Dec. 5), on condition that

1. Bolivia shall pledge herself never to turn over the ceded provinces to any third party.
2. Arica shall be declared a free port for only a certain length of time.
3. The other countries of Latin America shall be asked to watch the fulfillment of any agreement.

But Chilean opinion does not harmonize entirely with the official view. *La Nacion* of Santiago regards the new plan of Mr. Kellogg as merely an "effort to disentangle himself from the question, making Chile and Peru responsible for the collapse of the arbitral award." The younger citizens refuse to accept the proposition, says this daily, because it deprives their country of its rights. Another element insists that Bolivia must pay the compensation by granting Chile the right to collect customs duties in the surrendered territory until the compensation is paid. Payment in this manner would make unnecessary a loan to Bolivia from the United States.

Peruvian opinion, both official and unofficial, has been preponderantly adverse. The first official communication was in the form of an inquiry as to the exact meaning of the proposal, and as to what part the inhabitants of the area would have in the acceptance of the plan. Official Peru from the first seemed cold to the cession. On Jan. 17 Secretary Kellogg received a lengthy memorandum in which Peru officially rejected the proposal, although "disposed to listen to all suggestions for a settlement, but under the condition that the towns of Tacna and Arica be returned to it, the latter with its port and Morro." The rejection was couched in the following terms:

Peru cannot accept the proposed cession of the territory of Tacna and Arica to any one, whether by purchase or by any other method, because he who has been defending for more than forty years his rights over said territories cannot convert them into merchandise subject to a price, however large this may be.

La Nacion, one of the most influential Argentine dailies, quoted President Leguia of Peru as saying:

The ideal formula to settle this serious

matter of maintaining peace in America is not a formula of convenience which would substitute money for the claim of right, but another one more in conformity with the spirit of our time and the mentality of our race, which subordinates petty commercial ambitions to the superior ideals of justice and honor.

The same paper, speaking editorially, regards the move as a reflection of our national characteristics and as an undiplomatic procedure:

The foreign policies of the United States reflect too accurately the fundamental characteristics of the national temperament. It cares little for roaming and disregards exploration before engaging itself on a given subject. This way of doing things has its advantages in oral debates and business, but it is obviously inadequate for diplomacy. In foreign affairs, without losing sight of the straight line, one often has to make detours to reach one's end and avoid obstacles. A little subtlety and a little courtesy, in order to avoid creating distrust and suspicion, are surely more effective than excessive bluntness. That is why in matters of state the form is really the substance.

Mr. Kellogg overlooked another factor. Today the United States occupies an over-

whelmingly strong position in all political and economic questions of the world. But even acknowledging, as we do, its lofty disinterestedness and its purity of motive, we cannot forget that its bearing on Latin America is too accentuated not to cast a shadow of doubt on the spontaneity of its intervention in the concerns of this continent. The possibility of arousing suspicion is further increased because the United States has too vast investments in Bolivia to be indifferent to the great benefits that country would derive from the acceptance of the proposed solution of the Tacna-Arica question.

Across the border in Brazil the *Imparcial* of Rio de Janeiro declares for the plan because, through this admirable solution, "the threatening clouds that menace the peace of Latin America seem at last to be passing."

President Coolidge announced on Jan. 18 that the Government of the United States would continue its good offices in the dispute unless developments following Peru's rejection forbid further negotiations. The door is still open for the settlement of this age-long controversy, but the next step is problematical.

Lloyd George's Attempt to Revive British Liberal Party

By RALSTON HAYDEN

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A NEW phase in the political life of a great British leader and in the history of a great British party began on Jan. 19, when David Lloyd George definitely obtained control of the machinery of the Liberal Party. Interest in the event and speculation as to its consequences ran high in Great Britain and throughout the world. Can this man of sixty-four, who rose from the home of a Welsh cobbler to the unquestioned leadership of the British Empire during the most trying period in its history, regain the power which he so completely lost four years after conflict had ended? Is the Liberal Party, the party

of Bright and Cobden, of Gladstone, Morley, Rosebery, Campbell-Bannerman and Asquith, to pass from its present twilight into the permanent darkness of oblivion? Or is it to become once more a vital factor in the life and government of Great Britain? That the man and the party would rise or fall together was generally conceded; and that the odds seemed to be against them but added another element of human interest to an already dramatic situation. Incidentally, Americans who feel that the standards of politics in this country are not all that they should be may perhaps derive some comfort from the in-

cidents which preceded Mr. Lloyd George's victory. They revealed a system of party finance which law and public opinion have rendered impossible in the United States for the past twenty years.

The antecedents of the struggle which has finally split the Liberal Party may be traced definitely as far into the past as 1916. Probably they extend even further back and originate in the sharply differing backgrounds, temperaments and characters of Mr. Lloyd George and Mr. Asquith (now Lord Oxford and Asquith) and his "friends." In 1916, however, Mr. Lloyd George, then Minister of Munitions, forced Mr. Asquith to resign as Prime Minister at the head of the Coalition Government which was muddling but not "muddling through" with the war. He then replaced his old chief at No. 10 Downing Street. The incident left a bitterness and rancor which a decade has not healed or, apparently, softened.

Most of the Liberals in the Coalition Cabinet resigned with Mr. Asquith and went into a mild, modified opposition. They took with them a minority of the Liberal members of the Commons, who, with their following in the country, came to be known as the Asquithians. In the first election after the war Mr. Lloyd George, then at the apex of his power, turned on his former colleagues and their adherents and all but destroyed them at the polls. The breach between the two groups, then known as the National and the Independent (Asquithian) Liberals, seemed to be complete and irreconcilable. But, as Lord Grey later declared, "in 1923 when the free trade issue came, the sponge was passed over the whole of that difference, and, in the interests of free trade and Liberal unity, they all came together."

During all this time Mr. Asquith, although he had lost his seat in the Commons and later was relegated to the high detachment of the House of Lords, remained the titular head of the party. More important still, from the standpoint of the developments of the past few months, he continued to control the party organization outside Parliament. This organization, known as the National Liberal Federation, is composed of the Liberal "central associations" in the constituencies from which

members are elected to the House of Commons. Its "Central Office" in London is the seat of power within the Federation, while its Administrative Committee and Organization Committee are key bodies for the execution of Liberal plans.

Ordinarily the "Central Office" would control the party's war chest. But as a result of the developments which have been outlined the funds at its disposal had dwindled to little or nothing (Lord Grey stated that it was thanks to emergency contributions from the rank and file that the office had not had to be closed a year ago). During his long term as Prime Minister and leader of the largest group of Liberals in the House of Commons, however, Mr. Lloyd George accumulated a political fund which is generally believed to have reached the total of approximately \$5,000,000. This enormous sum was, and is, under his sole personal control.

ASQUITH'S RESIGNATION

During the Summer of 1926 Lord Oxford and Asquith resigned as the leader of the Liberal Party. Undoubtedly the logical man to succeed him was Mr. Lloyd George, the leader of the party in the House of Commons and still the outstanding Liberal in the country. But the old wounds in the breasts of Lord Asquith and his friends had not healed. Rather, they had been exacerbated by the attitude and speeches of Mr. Lloyd George upon various matters of public policy. First, and all the time, the Welshman advocated a land policy which aroused the bitter antagonism of the more conservative Liberals, and he pushed forward this policy by the use of some of the income from his political fund.

Then, during the great crisis of the general strike in the Spring of 1926 he pursued a line of action diametrically opposed to that of his colleagues of the Liberal "Shadow Cabinet." Although he deprecated the strike and declared the nation must come first, he advocated negotiations to end the conflict, and discountenanced the Government's demands for an unconditional surrender on the part of the unions. It was a natural line for him to take, if for no other reason than that as a negotiator Mr. Lloyd George probably has had no

peer in modern history. Lord Oxford, Lord Grey and their friends, however, supported the Government, and when Mr. Lloyd George issued a statement defending his views and refused to attend a meeting of the "Shadow Cabinet," they proceeded to read him out of the party. More recently he made a speech on China which many Liberals felt would be detrimental to British interests in that country and make a settlement more difficult.

During the succeeding months, however, actualities, as is usual, proved to be more potent than pronunciamientos. The Liberal peers could as easily read the melancholy Dane out of Shakespeare's drama as "the little Welshman" out of the Liberal Party. In the early Fall he called upon all Liberals to unite and declared that, if they would do so, they might expect to elect enough members at the general election which will occur within the next two years to hold the balance of power between the Conservatives and the Labor Party. In that case they could, he declared, come to terms with the latter and have a decisive voice in the Government of Great Britain. The Asquithians would have none of him and savagely attacked his proposals as a betrayal of Liberal principles.

The manoeuvres now began which ended Jan. 19. In addition to holding out the hope of political victory under his leadership, the crafty Welshman offered to put at the disposal of the poverty-stricken Liberal organization the income, and even a part of the principal, of his political fund (now popularly supposed to have been doubled "through judicious investment"). The conditions were that certain Lloyd George policies should be pushed forward, and that those members of the Liberal machine who were hostile should be replaced by those who could work with him. First among them was Vivian Phillips, formerly Mr. Asquith's chief whip, now Chairman of the party organization.

At a memorable banquet in honor of Mr. Phillips on Dec. 13 Viscount Grey of Fallodon gave Mr. Lloyd George the answer of the Liberal peers and those who are associated with them. He declared that Mr. Lloyd George's course had destroyed confidence in him, and that it would be quite futile to pretend that it had

been restored. He and his friends could not keep step with Mr. Lloyd George, and apparently they did not expect ever to be able to do so.

FAMOUS POLITICAL FUND

Speaking of Mr. Lloyd George's famous fund, Lord Grey said that it was not a wholesome thing for party headquarters to be dependent upon a fund supplied by one person, and it made no difference what conditions he made. "It is a new thing, unprecedented in the politics of this country, that one man should be in possession of an enormous fund at his own disposal for political purposes. * * * That is a very disturbing element, not only for the Liberal Party, but in the politics of this country altogether. * * * As far as I am concerned, I will not feel confidence in a headquarters organization which is dependent for its financial support upon one person."

The conclusion drawn from Lord Grey's speech was that he and his friends had given up trying to cooperate with Lloyd George, that they would not pretend that party unity existed when it did not, and that they would continue to act as Liberals independently of Lloyd George and of the old party organization, in case it should accept his financial assistance and submit to his control.

On Jan. 19 the Liberal organization did these very things. Mr. Lloyd George had withdrawn the conditions originally attached to his offer. But, as Lord Grey and the British press had anticipated, the Liberal organization did not feel that it could accept his assistance and then place his money contributions in the hands of men who had declared that they could not work with him. On Jan. 20 the Liberal Administrative Committee voted to accept the Welshman's proffered gold, and at the same time called for the resignation of the party's Organizing Committee and of Vivian Phillips, its Chairman. It was reported that Mr. Lloyd George would provide approximately \$500,000 for the next general election, enabling the Liberals to put some 500 candidates in the field and also \$200,000 for the upkeep of the Liberal headquarters, which are under his control.

Three days after the central machinery

of the National Liberal Federation had passed under the domination of Mr. Lloyd George it was announced that those Liberals who did not accept the leadership of the former Prime Minister were forming a separate organization with Lord Grey as President. The new association was to be known as the Liberal Council and would include Sir Donald MacLean, who for a time led the Asquithian Liberals in the Commons, Mr. Phillips, Lord Gladstone, Sir John Simon and many others among the more conservative members of the party.

Lloyd George believes that the British people are growing tired of Toryism and becoming increasingly distrustful of Socialism, whether under the Labor or any other cloak. His conclusion is that with proper leadership—such as that of David Lloyd George—the Liberal Party can capture enough seats to control the next House of Commons.

On the other hand, the sentiments of

many Englishmen upon the subject were expressed by Sir Douglas Hogg when this Conservative leader declared: "After what has happened in connection with the general strike, can you wonder that the leaders of the Liberal Party declare that they can no longer work with Mr. Lloyd George, and seek to excommunicate him from the Liberal Party? But when they try to execute that sentence they find Mr. Lloyd George has bought the Liberal Party and they cannot turn him out. * * * Yet Mr. Lloyd George, with money obtained by the sale of honors in a way they have never been sold before, has accumulated money which he is using to buy the Liberal Party in order that he may sell its support to the Socialists, whom he professes to believe are engaged in a policy which threatens the welfare of the country." Many of his countrymen, however, still regard David Lloyd George as a crusader and a prophet who in the future may lead his people from internal disaster as he once saved them from external danger.

National Union and Disunion in France

By CARL BECKER

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THE political situation in France during the month of January centred about two important official utterances—utterances not unconnected: (1) The statement of M. Briand on foreign policy; (2) The statement of Premier Poincaré on stabilization.

Since the formation of the Ministry of National Union the essence of M. Poincaré's political problem has been to purchase the support of the Left for his financial measures by making concessions to the Left in respect to foreign affairs. If this was not at once obvious it was made so by the resolutions adopted by the Radical Socialists in October, 1926, at their party Congress at Bordeaux, in which the party virtually served notice that its continued support of the Ministry would be condi-

tioned on the Premier's support of M. Briand's policy of conciliation. That M. Briand's policy has not been agreeable to the Extreme Right parties is well known; and although the Premier has always formally supported Briand, the latter during the last month and a half has been subject to drastic criticism by the leaders and journals of the Right. To take the most extreme case, M. Léon Daudet in *L'Action Française*, uncovering the ominous fact that M. Briand is a Freemason whose activities have always been allegedly determined by some "occult influence," recently called for the arrest of the Foreign Minister as a traitor for proposing to abandon the Rhine country to the Germans. The frenzied denunciations of M. Daudet are not often taken seriously; but in the present case



THE FRANCO-GERMAN RAPPROCHEMENT

It looks as if they had been brought quite close enough together
—Guerin Meschino, Milan

they were perhaps more significant than usual, since they symbolized a certain "anti-Briand" movement representing the nationalist sentiments of the parties of the Right. The immediate effect of the "anti-Briand" movement, at all events, was to revive the persistent rumor of serious dissensions between Briand and Poincaré in respect to foreign policy.

Against this opposition M. Briand found support where it might be least expected—from the Vatican. Public statements by the Pope, Cardinal Gasparri and Cardinal Cirretti made it abundantly clear that the Church, of which M. Daudet is supposed to be a valiant supporter, had no sympathy with his campaign against Briand, and would disapprove of all efforts to defeat the Locarno agreements. The unusual spectacle of Socialist Deputies applauding the Pope in the French Chamber indicated that the action of the Vatican was regarded as a distinct check to M. Daudet and the frenzied Nationalists who follow him.

Meantime the position of M. Briand was somewhat strengthened by the results of the Senatorial elections on Jan. 9. The moderate conservative groups, desiring to strengthen the Poincaré Ministry, put forth a list of candidates under the label of

"National Union." With this group the Radical Socialists, although strongly represented in the Ministry, refused to cooperate. In some districts they presented their own list; in others they united with the Socialists. The result of the elections was that the four Right parties gained three seats and lost nine, while the four Left parties gained twelve seats and lost six. The losses were mainly by the centre parties, the gains by the extremes. A further gain for the Left was registered in the election of M. Fernand Bouisson, Socialist, as President of the Chamber of Deputies, and of M. Paul Doumer, who formerly served in two of M. Briand's Ministries, as President of the Senate.

The general significance of the elections to the Senate, never very great, was not striking in the present instance. But the special significance of the campaign was exactly stated in *Le Temps* on Jan. 6. It presented "the paradoxical spectacle of a National Union which is the condition of the existence of the Ministry, and of a National Disunion which is the condition of the action of the parties." The chief aspect of the National Disunion, so far as the immediate situation was concerned, was a disunion in respect to foreign af-

fairs: the trend exhibited in the elections toward a Left Cartel served once more to give warning that M. Briand's policies could not be sacrificed without grave danger of disrupting the Ministry.

M. BRIAND'S STATEMENT

Meantime M. Briand had agreed to make a statement of the Government's foreign policy to the Foreign Affairs Commission of the Senate. But shortly after the elections it was decided to make the statement first to the commission in the Chamber of Deputies. It was rumored that the Premier welcomed an open debate on the subject which would force the members of the Cabinet to accept the Briand policies or else place themselves on record as in opposition; and to air the matter in the Chamber would obviously strengthen the Foreign Minister and weaken his opponents. On Jan. 19 M. Briand accordingly made his statement. He repeatedly asserted that, while the Ministry was committed to the policy of evacuation of the Rhineland, the question of evacuating the occupied districts before the time set in the Treaty of Versailles had never been raised "diplomatically," and that even then evacuation depended quite as much on Germany as on France. The clear implication was that in foreign affairs the Premier was prepared to support the Briand policies; and the immediate effect was to quash the effort of the extreme Right parties to get rid of the Foreign Minister by making capital out of the Italian and German questions. Henceforth to attack the Foreign Minister was to attack Premier Poincaré and the Government of National Union.

If M. Briand's statement undermined the political opposition of the Right, it also, by reassuring the Left, strengthened Premier Poincaré in respect to the financial question. There was no great change in the financial and industrial situation during the first half of January. The franc remained fairly firm, at about 25 to the dollar. The Government easily met the obligations that fall due the first of the year, and was able to announce that it had ample funds for meeting those falling due within the next three months. Meanwhile, although there was, during the first week in January, an increase in note circulation

and in advances from the Bank to the State, the last three weeks of the month registered a notable fall in both respects.

The firmness of the franc should normally have led to an industrial readjustment—a lowering of prices to suit the higher valuation, and a corresponding increase in consumption. This readjustment did not, however, take place. On the contrary, merchants hesitated to reduce prices, so that on Jan. 16 the domestic price index was 648, which was 20 points higher than the price index for imported goods. With prices still far too high, people continued to curtail their buying. This was notably true in respect to automobiles. In December the sales of gasoline by American gasoline interests in France were 180,000,000 francs less than for December, 1926; and it was estimated that of the 800,000 cars in France the greater part were in storage. The continued business depression was also evidenced by the situation of the steel industry, since the war one of the most flourishing of enterprises. For the month of December not a single domestic order was booked by any of the mills, and only a few foreign orders. By the middle of January many furnaces were banked, many men on half time; and it was announced that if the situation continued for another month the companies would be forced to resort to drastic curtailment.

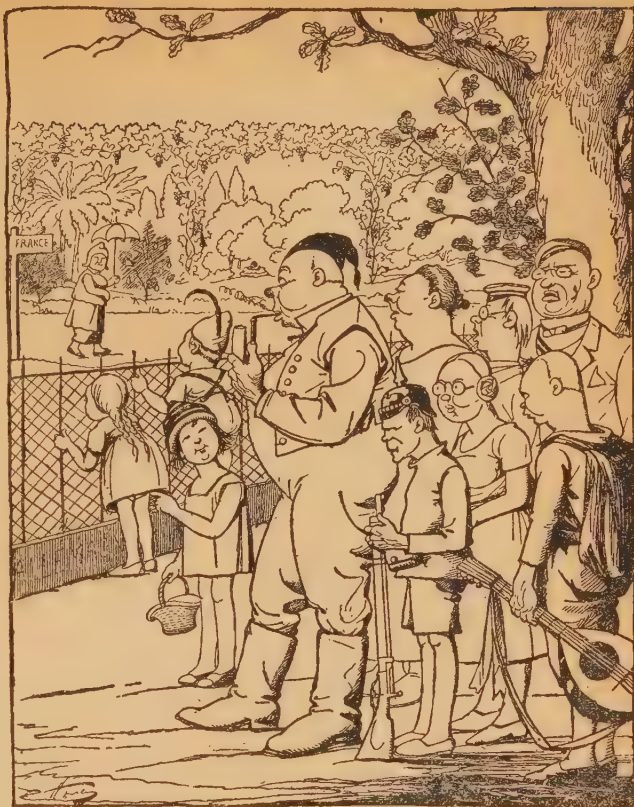
The result of continued business stagnation was a steady increase in unemployment. In January, 1926, the number of unemployed assisted by the Government was 547. During the week ending Jan. 13, 1927, the number so assisted increased from 17,000 to 27,000, while two weeks later the number had reached 45,000. Compared with England, the unemployment problem in France was not a serious one; but the problem is new in France, and the significant fact was not the number of unemployed, but the steady and rapid increase in numbers. This was indeed the only situation out of which the Socialists could make any capital. On Jan. 14, Léon Blum, stating that there were "hundreds of thousands of unemployed" in France, demanded more frequent discussions of the matter in the Chamber. Premier Poincaré replied that there were not at that time more than 20,000 unem-

ployed, and that the problem, however serious, could not be solved by oratory. He therefore refused the demand of the Socialists, and was sustained by a vote of 365 to 182.

This vote was an indication of the strength of the Poincaré Government. No opposition could make much headway against the Premier in view of his extraordinary success in "boosting" the franc and in improving the financial situation of the Government. Even the continued business depression was due, not so much to the rise of the franc as to the fear that it would not remain at its present level. For a month the franc had been stable enough, and in keeping it stable the Government had done its part. But how long would this continue? Why did the Premier still delay the stabilization? Was he bent, in behalf of the bondholders, on raising the franc still higher? Such were the questions people were asking, and it was undoubtedly this uncertainty that made for business depression and unemployment.

THE PREMIER'S STATEMENT

This general uncertainty, and specifically the plans of the Government for transferring the match monopoly to private hands in return for an advance of some \$80,000,000 to the State, led the Finance Commission to ask for a statement from the Premier as to his financial policies and on Jan. 25 Premier Poincaré complied. What the Finance Commission wanted to know specifically was the intentions of the Premier with respect to the crucial question of stabilizing the franc. On this point the Premier said: "We will do everything within our power



DRAWING CLOSER

"Come on, children, just be patient a little longer and the barrier will fall and we shall go on with the invasion where we left it in 1918"

—Le Rire, Paris

to maintain the franc stable at between 122 and 123 to the pound sterling." (Approximately 25 to the dollar.) He did not promise that this could be done, but he presented the reasons for thinking that it was not impossible to do it. Further than this the Premier was unwilling to go; the final stabilization of the franc, he said, depended on factors and arrangements at present indefinite and incomplete.

Indefinite as it was, the statement of Premier Poincaré was well received, and it had the immediate effect of inspiring a greater confidence in the economic situation, which was reflected in an advance in the price of French stocks. That the Government would be able to maintain the franc at substantially 25 to the dollar was not doubted, in view of the extensive cred-

its which it possessed abroad. On Jan. 24 there arrived in New York a gold shipment of \$20,000,000 to be deposited in the Federal Reserve Bank. Such foreign credits the Government had been steadily accumulating; and at the time of the Premier's statement it had at its disposal some \$400,000,000. With this amount to draw on, it was understood that the Government would be prepared to keep the franc stable by purchasing foreign exchange at a fixed price to any amount. But if the Government could stabilize the franc, independently of foreign loans, and, accordingly, independently of a ratification of the debt agreements, why not stabilize it permanently? The answer to that question was understood to be the Premier's desire to recoup the French bondholders still further. His statement before the Finance Commis-

sion implied that the present stabilization at 25 to the dollar would be only temporary, and for the purpose of enabling business and prices to adjust themselves to the then level, whereupon a further advance would be made and a new adjustment to the higher level. How far could this stage-by-stage raising of the franc be carried? M. Caillaux took occasion to point out that it would be dangerous to carry it too far because of the internal debt of 300,000,000,000 francs. No such burden, he said, at the pre-war valuation, could possibly be carried. M. Caillaux favored immediate stabilization. The Premier obviously had different views; and without aiming to re-establish the pre-war value of the franc, his policy was understood to contemplate some further approach to the pre-war value.



GENEVA TRICKERY

Mlle. S. D. N. (Société des Nations—League of Nations) to her companion, Sir Austen Chamberlain: "Those bores [Briand, Stresemann and Mussolini] are still running after me"

Sir Austen: "Don't take any notice of them. Go on making fools of them and let us continue the understanding we have between ourselves"

—P'st, Constantinople

Germany's New Coalition Ministry

By HARRY J. CARMAN

Associate Professor of History, Columbia University

AFTER lasting for more than six weeks, Germany's bitter and most complicated Ministerial crisis came to an end on Jan. 31, when the fourth Cabinet, headed by Dr. Wilhelm Marx, was sworn into office. The new Government coalition, composed of Centrists, Populists (German People's Party and Bavarian People's Party) and Nationalists, is as follows:

Dr. WILHELM MARX (Centrist)—Chancellor and Minister of Occupied Areas.

Dr. WALTHER VON KEUDELL (German Nationalist)—Vice Chancellor and Minister of the Interior.

Dr. GUSTAV STRESEMANN (Peoples' Party)—Foreign Affairs.

Herr KOEHLER (Centrist)—Finance.

Dr. JULIUS CURTIUS (People's Party)—Economics.

Dr. HEINRICH BRAUNS (Centrist)—Labor.

Dr. OSKAR HERGT (German Nationalist)—Justice.

Dr. OTTO GESSLER—Defense.

Dr. WALTHER SCHAETZEL (Bavarian People's Party)—Posts and Telegraphs.

WILHELM KOCH (German Nationalist)—Communications.

MARTIN SCHELE (German Nationalist)—Agriculture.

The first official move toward securing a new Ministry was made on Jan. 10 when President Hindenburg invited Dr. Curtius, right-hand man of Dr. Stresemann and Minister of Commerce, to form a Cabinet. At the same time he informed all parties as well as the public at large that to be satisfactory the new Cabinet must (1) obtain a sound parliamentary majority (2) continue the foreign policy initiated by Dr. Stresemann four years ago; and (3) protect the army by keeping it free from political control. Though he made no official statement, it was also currently rumored that he hoped a bourgeois Cabinet might be chosen. After a five-day effort in which he was unsuccessful in bridg-

ing the gap between the Centrist laborites and "big business," Curtius gave up the task.

The President then turned to ex-Chancellor Marx, partly because of his availability and partly because the Centrists in a resolution declared that they would support a middle party coalition composed of Centrists, Democrats, German and Bavarian People's parties. Marx accepted the call and for a time appeared to be on the verge of forming another middle party minority coalition, but this came to naught on Jan. 20. President Hindenburg then requested Marx to form an out-and-out bourgeois Ministry composed of the Centre and Right parties. "The new Government," he wrote, "even if it does not include the representatives of the Left parties, nevertheless shall have the special duty of protecting the righteous interests of the broad working masses, serving all classes of the German people and of solving the important political, economic and social problems which confront us." The President's letter to Chancellor Marx bluntly demanding the formation of a bourgeois Cabinet aroused harsh criticism in a section of the Liberal press. Such organs as the *Berliner Tageblatt* and the *Vossische Zeitung* averred that the President, as Chief Executive, had no right to dictate which political parties should be in the Government, and that by so doing he had exceeded his constitutional powers.

No sooner were the President's wishes known than the Centrists issued a manifesto stating the terms on which they would consent to act with the Nationalists. The fundamental points were as follows: Recognition of the German Republic as the only form of German State at present admissible; reform of the German Army to insure recruits loyal to the Republican Constitution; adherence to the League of Nations and the Locarno treaties; evacua-

tion of the Rhineland through a closer *rapprochement* with France. The pronouncement was drafted by a committee of three which included the staunch Republican leader, ex-Chancellor Wirth, and was adopted unanimously by the Centrist Deputies' caucus. The Centrists' proposals were long debated by the Nationalists and were accepted on Jan. 27 on condition that the Nationalists be allotted four posts in the new Ministry.

Just as the Cabinet was about completed two factors tended to give it a temporary setback. The first was the early reports of the provincial elections in Thuringia, which took place during the last week in January. On the basis of incomplete returns it appeared that the Socialists and Extreme Right had made sweeping gains. Complete returns, however, while showing gains for the Moderate Left, failed to bear out the earlier indications as far as the reactionaries were concerned.

The second and far more dangerous factor was the rejection by President Hindenburg and Chancellor Marx of Judge Walther Graef, the Nationalists' selection for Minister of Justice. At first it appeared as if the Nationalists might split over what the ultra-reactionary wing of the party termed as uncalled-for "Presi-

dential interference." The matter, however, was finally patched up by substituting Dr. Keudell for Graef. In political quarters Graef's withdrawal was regarded as another victory for Dr. Stresemann, who was said to feel that Graef's appointment would greatly damage Germany's position abroad.

The Democrats refused to join the Ministry largely because they were opposed to compulsory religious instruction in Germany's public schools, a proposition which had the backing of both the Centrists and the Nationalists. It was said that the Roman Catholic clergy had not only long agitated for a religious education bill, but desired a concordat between Germany and the Vatican. The Nationalists, who include large numbers of Evangelical Protestants, were equally keen for compulsory religious training in the schools. The German People's Party, on the other hand, was anti-clerical.

The new Governmental coalition can count not only on the full support of its respective parties, but on the twenty-one votes of the Economic Union, making a total of 270 against the 222 mustered by the opposition parties—Socialists, Democrats, Communists and the Voelkische—which are not likely to stand together on

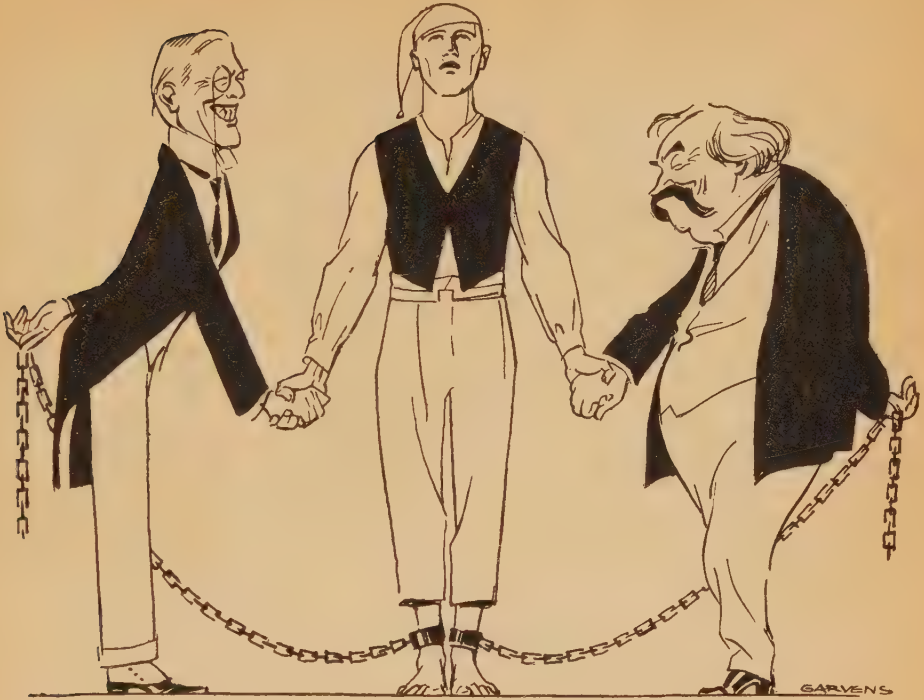
any important issue. The Marx Ministry consequently has met the first condition imposed by President von Hindenburg, viz., that the new Cabinet should have a clear parliamentary majority. Through the Nationalists' acceptance of Dr. Stresemann's foreign policy, with its Locarno and League of Nations, as defined in the "guiding principles" formulated by the Chancellor, the President's second condition was met. His third, that there should be no interference with the German Army on the part of politicians, is guaranteed by the retention of Dr. Gessler as the civilian head of the Reichswehr.

As had been foreseen, this last development forced Dr. Gessler out of the Democratic Party. Rather than face the expul-



SCHEIDEMANN'S SPEECH ON THE GERMAN ARMY
"Away with the masquerade! The world has the right to know what stands behind it"

—De Notenkraker, Amsterdam



GERMANY'S BOND WITH THE ALLIES

"There are neither conquerors nor conquered," says Briand. "A firm bond of reciprocal trust binds us together"

—*Kladderadatsch, Berlin*

sion that would surely have been pronounced against him for his insistence on remaining in office, despite the party's orders, the Minister formally ceased to be a Democrat on Jan. 28. Notice of his retirement from the political party which seven years ago elevated him to the Ministerial rank, which he has held ever since, was sent to Dr. Koch, Democratic floor leader.

Junker representatives in the Government are Oskar Hergt, Nationalist floor leader and royal Prussian Finance Minister during the war; Dr. Keudell, son of a one-time German Ambassador to the Quirinal who was one of Bismarck's inti-

mate friends; and Dr. Schiele, who resigned as Minister of the Interior in the Luther Cabinet when the Nationalists refused to countenance the Locarno treaties. Other Ministerial newcomers are Heinrich Koehler, the Finance Minister, who has held the same post in the Government of Baden, a Free State since 1920, and Dr. Walther Schaetzel, the Postmaster General, who handled the postal service in Bavaria to that State's entire satisfaction. Herr Koehler is one of the Catholic Centre's three Cabinet officers, the others being Dr. Marx and Dr. Brauns. Dr. Stresemann and Dr. Curtius represent the People's Party, and Dr. Schaetzel the Bavarian People's Party.

Fascist Concentration of Power in Italy

By ELOISE ELLERY

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THE development of the Fascist régime in Italy since the beginning of the year showed itself in several lines, namely in education, in local government and in the reorganization of the police. In education the question at issue was the continued existence of the Catholic Pioneers or "Young Explorers" (the Italian equivalent of Boy Scouts) side by side with the Fascist Balilla (the Fascist Boy Scouts). In the eyes of the Pope the latter is an anti-religious rival to the Catholic organizations, imperiling the proper education of Christian youth, while the Fascists regard the Catholic associations as representing a party hostile to the State. Premier Mussolini settled the matter by issuing a decree suppressing the Young Explorers organizations in towns of less than 20,000 inhabitants and incorporating them in the Balillas. Before the decree could be put into effect, however, the Pope forestalled the Government by himself ordering the dissolution of Catholic organizations in towns of less than 20,000 inhabitants. The others he declared to be completely autonomous and left it to the individual association to remain as at present or to join the national institution of Balillas.

The Catholic organizations, the Pope protested, were above and beyond all political parties, while the Balillas were closely connected with politics. He further stressed his objections, expressed in earlier statements, to the Fascist conception of the State, and made it clear that if the Catholic associations were to die he proposed that it should not be "by the hand of man." At the same time the general temper of his letter was decidedly conciliatory. "It would be unjust and unworthy," he declared, "to attribute to the measures we have taken before God and man any intention of animosity or reprisal. We wish, on the contrary, to spare them (the Fascist Government) the ungrateful task of dissolving so many sections of good and

peaceful Young Explorers in which the population of small centres took so much pride." Further, he did not wish to create any difficulties for the Fascist Government and suggested as a practical measure that the Catholic education of the Scouts who were incorporated in the Balillas should be continued by priests chosen in agreement with leaders of the Balillas and the local bishops. The suggestion was taken up by the *Tribuna*, the official Fascist organ, which assured the Pontiff that the Government would not interfere with the education of the Scouts and praised the Pope for his moderation.

Fascist control of education in general, however, is furthered by the decree published on Jan. 21, which reads:

Professors in royal universities, royal institutes of superior instruction and other professors of similar rank are to be dismissed from service when, for [political] manifestations in connection with their office, or even outside their office, they do not give full assurance of faithful fulfillment of their duties, or if they place themselves in a condition of incompatibility with the general political aims of the Government.

All professors are, furthermore, by the same decree, required to take the following oath on assuming office:

I swear to be faithful to the King and the royal successors, loyally to observe the Constitution and other laws of the kingdom, to exercise my office of teaching and all my academic duties with the object of forming hard-working, upright citizens devoted to their country. To that end I do not belong and will not belong to any association or political party whose activities are irreconcilable with the duties of my office.

The decree also provides that schools, colleges and universities may be abolished by the Italian Government if their teachings show disrespect of the institutions and principles of Italy's existing social system; that the Government may dismiss

administrative magistrates whose official or personal activities or opinions are incompatible with the general political tendency of the State authorities; and that persons not possessing the requisite moral and political regularity shall not be admitted to competitions as teachers or professors, or if they should be admitted and should qualify, they are not in any case to be appointed.

The control of the Central Government, not only over education but over local government through the prefects, has been much in evidence. Premier Mussolini, in his capacity of Minister of the Interior, issued a circular to the prefects in which he laid down the following six principles:

(1) The prefect is the highest authority of the State in the province. All citizens, and above all, those enrolled in the rank of the Fascisti, are to cooperate with him. There can be no divided authority. (2) The defense of the existing régime is an all-important responsibility, but there are to be no reprisals. The epoch of violence and disorder is ended. (3) The public order must not be disturbed. (4) Finances must be administered with scrupulous honesty. Profiteers must be eliminated from every

organization. (5) Special attention is to be given to those who were crippled in war and to the mothers and widows of those who lost their lives. (6) The prefect is no longer a mere electoral agent of former times. It is to him that the life of the province is to look for initiative, direction and co-ordination.

The Government is also strengthening its control through the extension of the powers of the Department of Public Security. Under this new program of police regulations is included a closer oversight of the manufacture and sale of arms and explosives; of public entertainments and of the production of photographs and pictures. A strict control of passports is instituted and also the requirement in the case of suspicious persons of cards of identification. Special provisions are made for police on the frontiers in the maritime provinces and on the railroads. Quicker means of communication between the various parts of the police service is arranged for, and a reorganization of the whole personnel. The Government is thus brought into the closest relation with the entire life of the people.

Italian Penetration of the Balkans

By FREDERIC A. OGG

Professor of Political Science, University of Wisconsin

BRACKETED with Italian dominance of the Mediterranean, in the far-sweeping plans that issue from the Chigi Palace, is Italian hegemony of the Balkans. Neither object has as yet been completely attained, but progress is being made almost daily in the direction of both. The steady unfolding of the Mussolinian program to the east of the Adriatic and the repercussion produced thereby have continued in the past month to overshadow all else in that section of the world.

In the first place, there is the keener realization of what the Italo-Albanian treaty of Nov. 27 (now in effect) means, and of the situation—not excluding war—which it is capable of producing. There has been time to scrutinize

the agreement in its historical setting. It has been vividly recalled, for example, that by the terms of the secret treaty of April 26, 1915, between Italy and the Allied Powers (Great Britain, France and Russia), Italy was to have Albania as part of her reward for going into the war on the Allied side; that at the time of the armistice Italy was in actual possession of three-quarters of the country; and that President Wilson's refusal to sanction this part of the 1915 pact was mainly responsible for the emergence of Albania as an independent republic, and was also one of the chief causes of the violent reaction against him in Italy during the later stages of the Peace Conference.

It has also come to light that manoeu-

vres preliminary to the November treaty began last Summer, when the Italian Minister at Tirana, Baron Aliosi, presented to the Albanian President, Ahmed Zogu, an extraordinary document, with the naïve suggestion that prompt signature would "make Mussolini happy." The purport of this paper was that Italy would give Albania 2,000 rifles, 2,000 uniforms and one or two mountain batteries, and to the President personally a gratuity of 50,000,000 lire, if the Italian Government were allowed to assume a protectorate over the country. To create a plausible excuse, a revolution was to be started in the North.

Taken aback, President Zogu asked, and with some difficulty obtained, a little time to consider the proposal; whereupon he reported it to the British, French and Yugoslav legations and awaited results. The British Minister stirred up his Government, and presently the British Ambassador at Rome interviewed the Duce, who blandly declared that Signor Aliosi had exceeded his instructions and that President Zogu, too, had misinterpreted the plan.

The project seemed to have been checked. But it was not for long, for in a month the British Minister at Tirana was recalled. In a few weeks more, Albania's appeal to the League of Nations for protection proved futile; the "revolution" made its scheduled appearance; the November treaty was signed, and the revolution subsided.

As was to have been expected, the nation that has taken most offense is Yugoslavia. Belgrade resents the stealthy manner in which the agreement was brought about, dislikes the increase of Italian influence in Albanian affairs, and fears the eventual extension of Italian dominance throughout the Balkans. As was pointed out in last month's issue, the situation had much to do with bringing on a severe Ministerial crisis, and of late there has been vigorous press opposition to ratification of the Nettupo agreement whereby Italy was lately granted special trading privileges in Yugoslavia. Stranger things have happened, however, than that the country should be placated by a concession to her of some portions of the northern Albanian territory—sections which, in fact, were in Serbian hands at the close of the war.

Whether or not Belgrade will be won over to a cordial acceptance of what has happened in Albania, Mussolini's policy in the Balkans stands clearly revealed as having two main objectives. The first is the building of a series of agreements and relationships with the States on Yugoslavia's borders of such a nature that that country will find itself completely surrounded by Italy's friends. The second is the expulsion of France from the influential position she has hitherto held in Balkan affairs, especially through Yugoslavia's membership in the Little Entente.

Realization of both purposes is already well advanced. Starting on the South the new treaty puts Italy in a position of undoubted predominance in Albania. Ahmed Zogu, President of Albania, took office as the sworn foe of Italy, and until lately could be counted upon to resist any extension of Italian influence in his country. He seems now to have succumbed completely to blandishments from Rome. Greece has hardly been reduced to a state of vassalage to Italy, as has sometimes been asserted; indeed, there are signs of a recrudescence of Greek independence in foreign relations. But it cannot be denied that the country is in a decidedly humiliating position owing to the continued occupation by Italy of the Dodecanese Islands, inhabited by Greeks.

Bulgaria occupies a strategic position in the plan to spread the Italian net over the Balkans. The state of her politics and finances renders her peculiarly susceptible to Machiavellian manipulations on twentieth century lines, and already Italian capital is very active in the land, financing the tobacco industry and the bulk of the export business. The Banca Commerciale Italiana e Bulgara is the country's most important banking institution. Rumanian policy has regularly been pro-Italian, and Bucharest's coldness to Belgrade's fears of Italian penetration of the Balkans has remained unaffected by the late Albanian treaty, notwithstanding that Rumania, like Yugoslavia, is a member of the Little Entente. Only a few months ago an important Italo-Rumanian treaty was chronicled in these pages.

To the north lies Hungary; and in that direction particularly interesting develop-

ments are in progress. In relation to Hungary Italy has two principal aims—first, to prevent the restoration of the old dual Austro-Hungarian Monarchy, and, second, to assure herself of Budapest's support against Yugoslavia, if required. Throughout the past month it has been generally understood that Premier Bethlen will soon go to Rome for a series of conferences with Mussolini; and the topics of conversation have been unofficially indicated as (1) the solution of the Hungarian throne problem, (2) the basis of a personal union of Hungary and Rumania, and (3) the Italian offer of Fiume as a Hungarian free port. So far as the first matter is concerned, things seem to have shaped themselves so that Count Bethlen can make whomever he chooses King of Hungary, as far as Hungary is herself concerned. He, however, needs the support of one or two of the great Powers, and is naturally turning to Mussolini, who has always befriended him, as also have the British.

The second subject, *i. e.*, the proposed personal union of Hungary and Rumania, seems very unlikely to eventuate in action. But even the suggestion interests Italy—particularly since it might easily be turned to account (irrespective of whether the union actually takes place) in the further isolation of Yugoslavia. The matter of a Hungarian free port on the Adriatic has so far advanced that Italy and Yugoslavia are actively bidding against each other for Hungarian favor, the former having offered Fiume and the latter Spalato. The Italians are at a geographical advantage in the contest in that Fiume is nearer to Hungary, but also at a disadvantage in that Hungarian goods, in order to reach Fiume, have first to traverse Yugoslav territory.

The net result of all these (and other) developments has been to enhance Italian prestige and influence throughout Balkan Europe and by so much to weaken the position of France as adviser and guide in Balkan affairs. Paris is doing what she can to revive her declining influence especially by promoting the proposed—although not very probable—union of Yugoslavia and Bulgaria. But for more

than a year Italy has unquestionably been leading the dance; to which one may add that with the Albanian treaty she has appreciably increased the tempo. A major question that hovers in the background is whether or not Great Britain, as many things seem to indicate, is solidly behind Italy in the entire business, and, if so, whether Europe is tending to drift into Franco-German and Anglo-Italian camps.

Another thread in the tangled skein of Italo-Yugoslav relations came into view in the middle of January, when the Montenegrin Committee for National Defense published from Rome a manifesto demanding Yugoslav evacuation of Montenegro and a union of Montenegro and Herzegovina into an independent State. Yugoslavia, it will be recalled, hastily annexed Montenegro in 1918 without her consent and over the protest of her King, Nicholas, who was dispossessed and forced into exile. Italy (whose Queen is a daughter of the deposed monarch) for a time sought to undo what had been done, to the end that Nicholas (who died in 1921) or his heir might be restored. But the effort failed, and the Montenegrin question was supposed to have passed into oblivion.

Rightly or wrongly, the January manifesto from Rome was regarded at Belgrade as inspired by Italian influence and as indicating that Italy is likely to follow up the Albanian treaty by reviving the neighboring Montenegrin issue. The Yugoslavs assert that there is only a trifling minority of Montenegrins who prefer independence to union with Yugoslavia, and in fact insist that there never has been any Montenegrin question except as Rome has stirred it up. There is, however, a kingdomless "king" of Montenegro (Prince Michel, 19-year-old grandson of Nicholas); there is a royalist party of considerable strength; and while it is impossible to know definitely the present attitude of the people in such a remote and undeveloped land as Montenegro, the presence of a small Montenegrin Federalist Party in the Parliament at Belgrade indicates that the autonomy idea, at least, is still alive.

Soviet Russia's International Aims

By ARTHUR B. DARLING

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MANY Europeans and Americans, as they have watched developments in Russia during the past months, have become more and more convinced that the Soviet authorities are still persisting in their determination to overturn the capitalistic and imperialistic organization of the world, despite the overtures of Stalin and his associates for restoration of diplomatic and financial relations with the Western Powers, despite the professions of the Soviet Government that it had no part in the plans of the Communist International for "world revolution." These Western onlookers pointed to the contributions of the Russian trade unions to the British coal strike as evidence that the Soviet Government hoped to break down the political structure of Great Britain, and, in such a mood, they saw an elaborate Soviet scheme behind recent happenings in Asia.

During September, 1926, a Japanese squadron visited Constantinople, and its Admiral made a formal call upon Mustapha Kemal Pasha at Angora. This episode, ordinarily of no particular moment, took on great significance for Western observers when, in October, a Persian Minister of high rank also went to Angora in company with the Turkish Minister to Persia after they had made a long visit together in Moscow. Moreover, in November, the Chinese Minister to the United States also appeared in Angora on a special mission. And finally Tchitcherin, the Commissar of Foreign Affairs, himself met the Turkish Foreign Minister in conference at Odessa. Recalling that the Soviet Union had recently negotiated treaties with Lithuania, Persia, Afghanistan, as well as Turkey, and had sponsored a *rapprochement* between Turkey and Persia, the Western onlookers thereupon reached the conclusion that the Soviet Government, through the Turkish Government as intermediary, was marshaling the forces of the East—Mohammedan and Buddhist—in a concerted movement against their imperialistic Christian overlords.

The Soviet Government, to be sure, announced that its treaty with Afghanistan was like its treaty with Lithuania—a pact of non-aggression which pledged each party to refrain from attacking the other or indulging itself in propaganda hostile to the other within its territory, and a pact which required each party to be neutral if the other became involved in hostilities with a third Power. But to suspicious Europeans and Americans such an announcement did not necessarily mean that there were no secret clauses of an aggressive nature, no agreement aimed at Great Britain's control of India. And if they needed any support for their suspicions they had but to think of the activity of Bolshevik propagandists in China and their participation with the Cantonese in a movement the primary purpose of which seemed to be to subvert European and American interests there.

From this point of view the going and coming of Japanese, Persian, Turkish, Afghan, Chinese and Russian diplomats appeared to reveal a Bolshevik scheme to direct a Pan-Asiatic League in a grand attack upon the Western world. But were we to grant that the Soviet leaders actually had such hopes, we would have to take into consideration factors which would make an Asiatic organization under Bolshevik hegemony extremely unlikely, if not impossible.

For reasons of national pride, if for no other, Japan would hardly yield first place in the Orient to the Soviet Union. The Japanese overture to Turkey—if, indeed, it was an overture—did not come so much from a desire to cooperate with Russia in the affairs of the Orient as from rivalry. However amicable may have been the agreement between Japan and the Soviet Union with respect to the oil fields of Sakhalin, that agreement was made in deference to Japan's assumption that its interests were superior. Furthermore, Japan's future—both military and economic—seems to depend upon the raw materials and the markets of China; Japan, in con-

sequence, can hardly permit Russia, or any other foreign Power, to dominate Chinese affairs. And it is not unreasonable to assert that the Soviet authorities are aware of that fact.

Nor can the Soviet leaders rely upon Afghanistan to take the offensive for the Soviet Union. The Afghans, perhaps, would not fear to risk their independence in an attack upon British authority in India. The British have already learned the fighting qualities of the Afghans and have experienced the difficulties of penetrating the mountainous country of the Afghan State; and Soviet armies, if sent to bring that State into the Soviet Union, would find the terrain no easier. Moreover, the Afghans are proudly conscious of their past; they remember that their sway once extended down into the northern provinces of India; they know that their kinsmen still bulk large in the population under British rule. In view of these circumstances, Soviet armies which might come to conquer territory at the expense of Great Britain might discover that the conquering would be done for the benefit of Afghanistan and not the Soviet Union. In the meantime, as an inland country, Afghanistan has good reason to maintain friendship with the neighbor which controls the way to the sea. Its status as a neutral buffer State, between the Soviet Union and British India, is peculiarly valuable to Afghanistan itself as well as its neighbors. The treaty with the Soviet Union, therefore, seems to have been no more than a mutual defensive measure, to have had no other purpose than to establish mutual neutrality in a formal agreement.

Even though their Communist ideas seem to have made remarkable growth in the fertile soil of China, the Soviet authorities can by

no means be sure that the Chinese will be any more subservient to Russian direction than the Afghans, once the Chinese have thrown off foreign domination, concessions, conventional tariffs and extra-territoriality. The national aspirations of China are very likely to run counter to Russian interests. And certainly no European dare prophesy that the Turkish and Persian Governments will carry their apparent cooperation with the Soviet Government beyond the limits of their own interests. It has not been Communism but the capitalistic institutions of Western Europe that have fascinated Mustapha Kemal; and however much Riza Khan, the Shah of Persia, may have endeavored to build his throne upon reforms for the welfare of the Persian people he has not sought to replace himself as Shah with the dictatorship of the proletariat or any other class in Persian society.



Senator Borah: "Don't be afraid, Uncle Sam; all the dog wants is a little petting"

—Adams Service

When such factors as these have to be taken into consideration it is asking too much to expect us to believe that Stalin and those about him in the Soviet Government have serious hope of creating an Asiatic league under Bolshevik direction to assume the offensive against Europe and America. Moreover, there is to be drawn from the record of the Soviet Government itself strong evidence which deprives that thesis of credibility. Stalin and his associates have indicated time and again, even before their struggle with the opposition of Trotsky, Kamenev and Zinoviev, that they really desire friendly agreements with Western Governments in order that they may borrow foreign capital to coordinate Soviet agriculture and industry and in time to make the Russian people self-sufficient. When that day comes Stalin's group may well afford to take its chances with the charge that in bringing stability and prosperity to the Soviet Union it subverted Communist theories with capitalistic practices. But in the meantime, for obvious political reasons, that ruling group cannot abandon altogether the weapons by means of which the Czarist régime was destroyed.

The Soviet leaders seem to have been able to convince the majority in the Communist Party—without whose support they cannot remain in power—that they must no longer associate the Soviet Government with "world revolution" if they wish for the future peace of Russia. Zinoviev has been dropped from his post as head of the Communist International; Bukharin, his successor, has declared that the advent of "world revolution" is postponed indefinitely. But those who would restore Russia's financial relations with foreign Powers have still to prove to the Communist Party that the Russian trade unions should not involve themselves in the domestic affairs of foreign nations and that Communist agents from Russia should not stir Chinese feelings against British and American commercial and religious institutions in China if the Soviet Government is to dispel the misgivings of the British and American Governments and is to secure the friendly relations between those countries

and the Soviet Union which the Soviet leaders desire.

In addition to these handicaps, resulting from domestic forces over which they have not yet obtained complete control, the Soviet authorities labor also under the vivid memory that Allied troops joined with the White armies which tried to overturn the Bolshevik régime after Red October, 1917. They believe that the League of Nations, with its seat at Geneva, in a country which has never properly apologized for the murder of a Soviet envoy, is committed to hostility toward the Soviet Union. They think that the Locarno pacts between the Allies and Germany are designed to "encircle" the Soviet State. They consider the recent Lithuanian coup d'état a move by the Western Powers, Great Britain in particular, to isolate Russia. As one representative of the Baltic States casually remarked to an American correspondent in Moscow: "Two years ago we were dreading the bogey of a Russian attack. Now they are actually afraid we will attack them." And Voroshilov, Soviet Commissar of War, speaking in January before the Communist Congress of Moscow, exclaimed: "All the countries surrounding us, backed by England, are energetically preparing to attack us. We must militarize our whole population, especially the working classes, and we must conduct an active campaign in our newspapers to prepare the people for the struggle."

The Soviet leaders are afraid. Their foreign policy may appear, in certain lights, blustering and aggressive; but it is in reality marked by a strong desire for peace dictated by fear. Despite inconsistencies, its major purpose is self-defense. Far from wishing to take the offensive against the imperialistic Powers headed by Great Britain, the Soviet Government is seeking, first, to ring the Soviet Union about with neutral buffer States—Afghanistan, Lithuania—and then to keep the Soviet Union on intimate terms with those countries which are resisting the domination of the great Powers—Turkey, Persia, China—and finally, to occupy the chief enemy, Great Britain, with so much discontent in India, the Malay States and elsewhere that Great Britain may not have time or strength to turn upon the Soviet Union.

Spain Developing New Policy on Foreign Relations

By JOHN MARTIN VINCENT

Professor Emeritus of European History, Johns Hopkins University

THE Government of Spain under the new form of civilian dictatorship has developed of late a distinct policy of foreign relationship. Whether this is due to the activities of the young and vigorous Minister of Foreign Affairs, Señor José M. de Yanguas, or to the gradual accumulation of experience since 1923, is a question which may not be readily answered, but the fact that the present spokesman for the Government is Señor de Yanguas is worthy of attention.

At the time of Señor de Yanguas's appointment he was comparatively unknown to the Spanish public, although he had been for some time a member of the old Chamber of Deputies. Yet, at the age of 29 he had been made a Professor of International Law in the University of Madrid, and was later a delegate to the League of Nations, where he displayed much tact and ability. This ability and his inconspicuous political activity were high qualifications for General Primo de Rivera when making up a Cabinet which should be divorced from the old régime. The surprise which the appointment caused at first soon gave way to general satisfaction in the actions of the young man who assumed such important responsibilities at the age of 34.

According to reports from Madrid the Minister recently gave an interview to Dr. Andres Revesz, foreign editor of the journal *A. B. C.*, in which he explained at considerable length the chief aims of the foreign policy of Spain. In reply to questions Señor Yanguas replied that the Government was moved by a

strong desire to contribute toward the maintenance of peace and to friendly relations with all countries, although, of course, it is but logical that we should be in closer relationship with the peoples of our race—Portugal and the South American republics. It is natural also that among the European States we should, both for historical and

geographical reasons, and in pursuance of mutual interests, be in closer touch with the big Occidental and Mediterranean powers, France, England and Italy.

On the question of the exact extent to which the withdrawal of Spain from the League of Nations is definite, the Minister said:

It is so definite that in our coming budget we have deleted all mention of the League of Nations office we had in the Foreign Department. The office has been dissolved and its chief, Señor Balsera, has become a member of the Aerial High Council.

Any move to give to Spain a place on the Permanent Council of the League of Nations would have to come from that body. Such action remains problematical. Separation is an established fact, but this does not mean that Spanish policy has become one of isolation:

On the contrary, Spain takes more interest than ever in its foreign relations—mostly, it is true, from an educational point of view, such as the encouragement of an international exchange of professors, students and books—or from the point of view of commerce, by signing commercial treaties in a conciliatory spirit, or, again, in the legal order by means of treaties or arbitration with European and American countries.

The treaty with Italy is a recent example. This is merely a treaty of arbitration, friendship and neutrality. Negotiations for a treaty with France, which were begun at the same time and were developed along with the Italo-Spanish negotiations, are well in course, although they have been delayed somewhat by a closer study of the complicated mechanism of arbitration and conciliation, which can only result in a more efficient and more complete mutual understanding on legal matters.

Señor Yanguas described the relationship with the Americas as triangular, and

the policy of the Government as an endeavor to be on most friendly terms both with the Latin-American countries and with the North American Republic:

Our relations with Latin America are of a cultural, not of a political nature, and therefore have no bearing on North America. Each side of the triangle is independent of the other two, and the three work without any friction. Our relations with the United States are mostly economic, whereas continental or Pan-American interrelation has more of a political aspect. Our enthusiastic participation in the Philadelphia exhibition proved, among other things, the nature of our feelings toward the United States and our sincere desire to be in closer touch with them.

The Minister desired to correct certain misleading comments made by part of the foreign press which saw in the calling of the Hispanic Air Congress about the time of the withdrawal from Geneva an effort on the part of Spain to create a sort of league between all Hispanic nations. He declared that the two questions were in no way connected, and that the call for the aerial congress was issued much prior to the meeting of the League Assembly last September. Differing in constitution from

the European Aerial Association, there is in the Ibero-American Confederation of Aerial Navigation no board of control, but every State, whatever its size, has a vote. It is, therefore, "an association with a spirit of equality and democracy that is proper between peoples belonging to the same family."

As a final question of international import the attention of the Minister of Foreign Affairs was called to the projected tunnel under the Strait of Gibraltar, a possibility which has once more come into prominence. He admitted that civilization would gain much if it were made possible to travel by train from London to Cape Town, but he doubted if such a plan would materialize at an early date. He was of the opinion that motor service in Africa, and even to a greater extent the aerial service, would in the near future absorb so much of the traffic that there would not be enough left to balance the enormous expense which the construction of such a railroad would entail. A tunnel under the Strait would be a convenience for Spain in the administration of her African possessions, but the Foreign Office is evidently not worrying about any international complications which might be involved.

Powers' Differences on Chinese Conflict

By QUINCY WRIGHT

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THE policy of the United States toward China was officially expounded by Secretary of State Kellogg on Jan. 26, 1927. Most of the statement (which is printed in full at the end of this article) was a chronicle of events since the signing of the Washington treaties for the purpose of showing "the willingness of the United States to deal with China in the most liberal spirit," and was doubtless intended to answer the implication in the British memorandum published on Dec. 25 that Great Britain was more liberal than any other Power in its attitude toward China.

Mr. Kellogg's statement, however, also affirmed the general policy that the United States has always desired the unity, the independence and prosperity of the Chinese nation. It has desired that tariff control and extraterritoriality, provided by our treaties with China, should as early as possible be released. * * * This Government wishes to deal with China in a most liberal spirit. It holds no concessions in China and has never manifested any imperialistic attitude toward that country. It desires, however, that its citizens be given equal opportunity with the citizens of the other Powers to reside in China and to pur-



MAP OF CHINA AND NEIGHBORING TERRITORIES

sue their legitimate occupations without special privileges, monopolies or spheres of special interest or influence.

This appears to follow the historic policy of the United States announced in a circular of July 3, 1900, during the Boxer disturbances and affirmed by Article 1 of the Nine-Power Washington treaty of 1922. The first of these documents asserted:

The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly Powers by treaty and international law and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.

By the Washington treaty the Powers, other than China, agreed:

(1) To respect the sovereignty, the independence and the territorial and administrative integrity of China;

(2) To provide the fullest and most un-

embarrassed opportunity to China to develop and maintain for herself an effective and stable Government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

A comparison of these statements suggests that the release of treaty privileges in China is a new policy, though the elimination of extraterritoriality is foreshadowed in the commercial treaty of 1903 and the fifth resolution of the Washington conference.

As to particular policies applicable to the existing circumstances of China Mr. Kellogg said:

The Government of the United States is

ready now to continue the negotiations on the entire subject of the tariff and extra-territoriality or to take up negotiations on behalf of the United States alone. The only question is with whom it shall negotiate.

* * * If China can agree upon the appointment of delegates representing the authorities or the people of the country, we are prepared to negotiate such a treaty. However, existing treaties which were ratified by the Senate of the United States cannot be abrogated by the President, but must be superseded by new treaties negotiated with somebody representing China and subsequently ratified by the Senate of the United States. * * *

The Government of the United States expects that the people of China and their leaders will recognize the right of American citizens in China to protection for life and property during the period of conflict for which they are not responsible. In the event that the Chinese authorities are unable to afford such protection it is the fundamental duty of the United States to protect the lives and property of its citizens. It is with the possible necessity of this in view that American naval forces are now in Chinese waters.

This differs from the British memorandum of Dec. 25 in asserting an intention to maintain treaty rights until they are superseded by new treaties, whereas the former suggested that, in recognition "both of the essential justice of the Chinese claim for treaty revision and the difficulty under present conditions of negotiating new treaties in place of the old," their traditional attitude of rigid insistence on the strict letter of treaty rights" be modified, and especially that the Washington conference surtaxes be immediately granted.

CHINESE REPRESENTATION

Closely associated with this difference is Mr. Kellogg's intimation that negotiations might be carried on with delegates who represent "the people" of China, even if they do not represent "the authorities" of China, whereas the British memorandum anticipated no possibility of formal treaty revision until there were a Government "possessing authority to enter into engagements in behalf of the whole of China." Mr. Kellogg has not described how "the people of China" will be able to negotiate

in the absence of such a Government, but the papers have suggested a delegation composed of representatives of each of the local *de facto* authorities.

The Kellogg statement also differs in suggesting the possibility of independent American negotiation. The British memorandum proposed "a joint declaration," "full and frank consultation imposed on all the Powers alike by Article 7 of the Nine-Power Pact" and "maintenance of the solidarity of the Powers." Although the United States has in general cooperated with the Powers in Chinese policy since the Hay notes of 1899, before that time it usually preferred an independent policy.

In the use of force for protecting citizens the Kellogg statement seems to be in harmony with the announced intention of Great Britain in sending a considerable force to China, but on Jan. 25 President Coolidge had sought to differentiate the policies by pointing out that Great Britain had concessions to protect in China, while the United States had not. The President asserted that in China as elsewhere he put the protection of American citizens first.

A resolution introduced in the House of Representatives on Jan. 4 by Mr. Porter, Chairman of the House Committee on Foreign Affairs, appeared to conform with executive policy in requesting the negotiation of new treaties superseding the unequal treaties on a "wholly equal and reciprocal basis and such as will in no way offend the sovereign dignity of either of the parties or place obstacles in the way of realization by either of them of their several national aspirations or the maintenance by them of their several legitimate domestic policies." This resolution, however, contemplated negotiations only "with the duly accredited agents of the Government of China, authorized to speak for the entire people of China."

The reactions of the Powers to the Kellogg statement were on the whole favorable. On Jan. 27 Sir Esme Howard, the British Ambassador to the United States, conferred with Mr. Kellogg and expressed the opinion that the American statement would be favorably received in London. He recognized that relations with China would have to be modified and that the only question was how to bring about these

modifications in an orderly manner. He thought Mr. Kellogg fairly stated the American attitude and added that the protection of American citizens was a different task in China from what it was in Nicaragua.

BRITISH CONCESSIONS

Sir Austen Chamberlain, the British Foreign Secretary, speaking at Birmingham on Jan. 29, outlined a Chinese policy more like Mr. Kellogg's than the policy announced on Dec. 25, especially in its proposal for immediate independent negotiations with the *de facto* authorities of both the North and the South of China. Sir Austen Chamberlain's statement was in part as follows:

More than a year ago in a speech at the departure of the British delegates to the Tariff Conference in Peking I outlined our policy toward China as follows: Our only wish was a strong, united, independent, orderly, prosperous China. We are ready to contribute as much as we can, ready to meet China half way, and ready to relinquish our special rights just in the same proportion that the Chinese Government assures our nationals of the enjoyment of the ordinary rights of foreigners in their country.

This has been and is the policy of the British Government toward China. All talk of British imperialism in this connection is nonsense. In the Far East, at any rate, we are a nation of shopkeepers, and we want to keep shops open and stay on good terms with our customers.

We realize that the old treaties are out of date and desire to put our relations with China on a new basis suitable to the times. They must be changed, and it is hoped it will be possible to negotiate an arrangement of this change under one united central Government.

There is no such Government at this moment, but the demand for a treaty revision is so insistent and fundamentally so reasonable that, in spite of the difficulties involved, we must try to negotiate this change with the contending Governments, even in the midst of civil war. * * *

The principle matters the Chinese desire changed are:

1. The extraterritorial position, by which foreigners can only be tried in their own courts by their own laws.

2. The tariff provisions, by which China cannot raise duties on foreign goods.

3. The quasi-independent status of the concession areas.

We are prepared to change all these points. The present system is antiquated and unsuitable for the conditions today and no longer affords protection for our merchants. Two days ago a proposal was laid by our representatives before the Chinese authorities of both the North and the South, by which the British Government is prepared to recognize the modern Chinese law courts, without the attendance of a British official, as competent courts to judge British plaintiffs and complainants. The Government also stated its readiness to apply to British courts in China the modern Chinese civil and commercial code. We will go further than this as soon as all the Chinese codes and the judicial administration are ready.

With regard to Chinese taxation, we are prepared to make British subjects liable to pay the Chinese regular taxation, not involving discrimination against British subjects or goods. This would include taxation levied under a national tariff, and so far as we alone can effect such an object this removes the last obstacle to full tariff autonomy.

As regards the concession areas, we are prepared to enter local arrangements according to the particular circumstances at each port, either by amalgamation of the administration of that and adjacent areas under Chinese control or by some other method of handing over the administration to the Chinese, while assuring the British community some voice in municipal matters.

In 1925 I said we would meet China half way. You will see that this program goes much more than half way, but I am certain it is the right and wise course to take.

For the moment there cannot be a new treaty, for a treaty can only be signed and ratified by a recognized Government, and owing to the conditions of civil war we cannot at present recognize any Government in China as the Government of the whole country. We cannot recognize the Canton Government as the Government of part of China as this would be to recognize a division of China, which every Chinese party would resent. We cannot recognize the claims of the Canton Government, because it controls scarcely one-third of China. The Chinese themselves must decide their form of government.

Japan was said to object to the British memorandum of Dec. 25 and to sympathize with the French objections on Dec. 30. It was reported that her policy of making reciprocal treaties with China favorable to

her commercial interests and utilizing the elimination of treaty tariffs as something to bargain with was jeopardized by the actual levy of the Washington surtaxes by both Hankow and Peking. Thus, on Jan. 14, Japan was said to be contemplating *de facto* recognition of the Southern Government, with a view to negotiating a new commercial treaty at once. Baron Shidehara, the Foreign Minister, in a general discussion of foreign policy before the Diet on Jan. 17, said that any attempt to force domestic peace in China by outside pressure would do more harm than good, that the Chinese themselves must decide their Government and domestic policy, that Japanese nationals were entitled to the protection of international law, and that although he had no objections to levying the Washington surtaxes, there must be a reasonable guarantee that the proceeds would not be used for civil war. Japan's policy toward China is summarized in the statement printed at the end of this article.

JAPAN'S EXPECTATION

Japan was reported on Jan. 27 to have adopted a policy based on the expectation of a coalition of the Northern and Southern Chinese parties to support on broad lines the doctrines of Sun Yat-sen. In such circumstances Japan contemplated the elevation of the legation to an embassy, recognition of Chinese tariff autonomy, treatment of China as an equal, and speedier elimination of extraterritoriality than contemplated by the report of the Extraterritoriality Commission. An interdepartmental committee was said to have dis-



CHINA SEEMS TO HAVE ADOPTED HER OWN "OPEN DOOR" POLICY
—New York Herald-Tribune

cussed the following basic principles to be followed in negotiating the new commercial treaty:

1. The commercial treaty shall be based on reciprocity and equality.
2. Recognition of tariff autonomy on the conclusion of the reciprocal commercial treaty.
3. The tariff on cotton goods and other specials shall be preferential because of close special Sino-Japanese relations.
4. The surtax questions shall be settled on the resumption of the customs conference and not be discussed now.
5. Recognition of the principle of abolition of extraterritoriality. Japan is prepared to consider China's desires for more favorable treatment than is recommended in the Extraterritoriality Commission's report regarding the date, the program and the areas.

6. China must recognize the right of Japanese to trade and reside inland in China.

7. Mutual permission for coastal trade.

8. Mutual recognition of most favored nation treatment.

9. The proceedings of the treaty negotiations shall be published so far as possible.

The Japanese newspapers foresaw a new epoch in Sino-Japanese relations and insisted Japan desired to conclude a treaty not with the so-called Government at Peking but with the whole Chinese people. The close *rapprochement* of Japan and Canton is said to explain Chang Tso-lin's hesitancy to take the Presidency at Peking. On Jan. 28 it was reported that Prime Minister Wakatsuki, Foreign Minister Shidehara and other Japanese officials had expressed high approval of Mr. Kellogg's statement on China.

The Soviet attitude toward the Chinese situation was said to be one of official neutrality, though Soviet citizens would not be restrained from joining the Chinese national army. Rudzutak, the Minister of Transportation, insisted that the Chinese revolution was not a "creation of Moscow." On Jan. 28 *Izvestia* and *Pravda* of Moscow commented on the Japanese and American pronouncements of policy and expressed gratification that neither Japan nor the United States planned to take part in joint military intervention, which they interpreted as the essence of British policy. British military movements toward China were regarded by the Moscow papers as efforts to strengthen the hand of Mr. O'Malley, the British Chargé d'Affaires at Hankow, by showing that Great Britain was not "defeated" in China. The Soviet Government seems to have no delusions about the possibility of Bolshevizing China,

but is said to realize that European intervention might force Japan on the side of China against Europe and thus contribute to the Soviet policy of "Asia for the Asiatics."

EUROPEAN ATTITUDE

Continental Europe is inclined to blame the United States for China's difficulties, pointing to the influence of American missionary and democratic propaganda in the Orient. French newspapers issue warnings against letting American missionaries into Indo-China and argue that the Washington conference raised premature hopes in China. The European press is also inclined to think that Great Britain regrets having sacrificed the Japanese alliance at the Washington conference, and believes that the United States will follow an independent policy in the Far East, with the result that Great Britain has lost one ally without gaining another. In this connection the *Journal des Débats* of Paris says: "The principal Powers appear less united than ever. England is not even followed by all the Dominions. That is disturbing, because experience has shown that the Powers which have large interests in China should have a common policy." Italy was reported, Dec. 31, to have endorsed the British policy, especially with respect to unanimity of the Powers.

The Chinese press unanimously opposed the British memorandum of Dec. 25, but seemed more favorable to the American notes. This was especially true of Southern China, which is consumed with suspicion of British intentions. Mr. Kellogg has expressed optimism at the prospects of opening negotiations for treaty revision in the near future.

Mr. Kellogg's Statement on American Policy in China

The following is the complete text of the statement issued by Frank B. Kellogg, Secretary of State, on Jan. 26, 1927, and published the following day:

At this time, when there is so much discussion of the Chinese situation, I deem it my duty to state clearly the position of the Department of State on the questions of tariff autonomy and the relinquishment of extraterritorial rights.

The United States has always desired the unity, the independence and prosperity of the Chinese nation. It has desired that tariff control and extraterritoriality provided by our treaties with China should as early as possible be released. It was with that in view that the United States made the declaration in relation to the relinquishment of extraterritoriality in the Treaty of 1903 and also entered into the Treaty of Washington of Feb. 6, 1922, providing for a Tariff Conference to be held

within three months after the coming into force of the Treaty.

The United States is now and has been, ever since the negotiation of the Washington Treaty, prepared to enter into negotiations with any Government of China or delegates who can represent or speak for China not only for the putting into force of the surtaxes of the Washington Treaty, but entirely releasing tariff control and restoring complete tariff autonomy to China.

The United States would expect, however, that it be granted most-favored-nation treatment and that there should be no discrimination against the United States and its citizens in customs duties, or taxes, in favor of the citizens of other nations, or discrimination by grants of special privileges and that the open door with equal opportunity for trade in China shall be maintained; and further that China should afford every protection to American citizens, to their property and rights.

The United States is prepared to put into force the recommendations of the Extraterritoriality Commission which can be put into force without a treaty at once and to negotiate the release of extraterritorial rights as soon as China is prepared to provide protection by law and through her courts to American citizens, their rights and property.

The willingness of the United States to deal with China in the most liberal spirit will be borne out by a brief history of the events since making the Washington Treaty. That Treaty was ratified, by the last one of the Signatory Powers on July 7, 1925, and the exchange of ratifications took place in Washington on Aug. 6, 1925. Before the treaties finally went into effect and on June 24, 1925, the Chinese Government addressed identic notes to the Signatory Powers asking for the revision of existing treaties.

On the first of July, 1925, I sent instructions to our Minister in Peking, which instructions I also communicated to all the other Governments, urging that this should be made the occasion of evidencing to the Chinese our willingness to consider the question of treaty revision. I urged that the Powers expedite preparations for the holding of the Special Conference regarding the Chinese customs tariff and stated that the United States believed that this special tariff conference should be requested after accomplishing the work required by the Treaty to make concrete recommendations upon which a program for granting complete tariff autonomy might be worked out. The Delegates of the United States were given full powers to negotiate a new treaty recognizing China's tariff autonomy.

At the same time, I urged the appointment of the Commission to investigate extraterritoriality, with the understanding that the Commission should be authorized to include in its report recommendations for the gradual relinquishment of extraterritorial rights. Prior to this, the Chinese Government urged the United States to use its influence with the interested Powers to hasten the calling of the Conference on Tariff Matters and the appointment of the Extraterritorial Commission and for each Government to grant to its representatives the broad power to consider the whole subject of the revision of the treaties and to make recommendations upon the subject of the abolition of extraterritorial rights. This was in harmony with the views of the United States.

Accordingly, on Sept. 4, 1925, the United States and each of the other Powers having tariff treaties with China evidenced their intention to appoint their delegates to the Tariff Conference. By a note which has been published, the Powers informed China of their willingness to consider and discuss any reasonable proposal that might be made by the Chinese Government on the revision of the treaties or the subject of the tariff and also announced their intention of appointing their representatives to the Extraterritorial Commission for the purpose of considering the whole subject of extraterritorial rights and authorizing them to make recommendations for the purpose of enabling the Governments concerned to consider what, if any, steps might be taken with a view to the relinquishment of extraterritorial rights. Delegates were promptly appointed and the Chinese Tariff Conference met on Oct. 26, 1925.

Shortly after the opening of the Conference and on Nov. 3, 1925, the American delegation proposed that the Conference at once authorize the levying of a surtax of two and one-half per cent. on necessities, and, as soon as the requisite schedules could be prepared, authorize the levying of a surtax of up to five per cent. on luxuries, as provided for by the Washington Treaty. Our delegates furthermore announced that the Government of the United States was prepared to proceed at once with the negotiation of such an agreement or agreements as might be necessary for making effective other provisions of the Washington Treaty of Feb. 6, 1922. They affirmed the principle of respect for China's tariff autonomy and announced that they were prepared forthwith to negotiate a new treaty which would give effect to that principle and which should make provision for the abolition of likin, for the removal of tariff restrictions contained in existing treaties and for the putting into effect of the Chinese National Tariff law. On Nov. 19, 1925, the Committee on Provisional Measures of the Conference, Chinese delegates participating, unanimously adopted the following resolution:

"The delegates of the Powers assembled at this Conference resolve to adopt the following proposed article relating to tariff autonomy with a view to incorporating it, together with other matters to be hereafter agreed upon, in a treaty which is to be signed at this conference.

"The contracting Powers other than China hereby recognize China's right to enjoy tariff autonomy; agree to remove the tariff restrictions which are contained in existing treaties between themselves respectively and China; and consent to the going into effect of the Chinese National Tariff law on Jan. 1, 1929.

"The Government of the Republic of China declares that likin shall be abolished simultaneously with the enforcement of the Chinese National Tariff law; and further declares that the abolition of likin shall be effectively carried out by the First Day of the First Month of the Eighteenth Year of the Republic of China (Jan. 1, 1929)."

Continuously from the beginning of the Conference our delegates and technical advisers collaborated with the delegates and technical advisers of the other Powers, including China, in an effort to carry out this plan—viz., to put into effect the surtaxes provided for in the Washington Treaty, and to provide for additional tariff adequate for all of China's

needs until tariff autonomy should go into effect. Until about the middle of April, 1926, there was every prospect for the successful termination of the Conference to the satisfaction of the Chinese and the other Powers. About that time the Government which represented China at the Conference was forced out of power. The delegates of the United States and the other Powers, however, remained in China in the hope of continuing the negotiations and on July 3, 1926, made a declaration as follows:

"The delegates of the foreign Powers to the Chinese Customs Tariff Conference met at the Netherlands Legation this morning. They expressed the unanimous and earnest desire to proceed with the work of the Conference at the earliest possible moment when the delegates of the Chinese Government are in a position to resume discussion with the foreign delegates of the problems before the Conference."

The Government of the United States was ready then and is ready now to continue the negotiations on the entire subject of the tariff and extraterritoriality or to take up negotiations on behalf of the United States alone. The only question is with whom it shall negotiate. As I have said heretofore, if China can agree upon the appointment of delegates representing the authorities or the people of the country we are prepared to negotiate such a treaty. However, existing treaties which were ratified by the Senate of the United States cannot be abrogated by the President but must be superseded by new treaties negotiated with somebody representing China and

subsequently ratified by the Senate of the United States.

The Government of the United States has watched with sympathetic interest the nationalistic awakening of China and welcomes every advance made by the Chinese people toward reorganizing their system of Government.

During the difficult years since the establishment of the new régime in 1912 the Government of the United States has endeavored in every way to maintain an attitude of the most careful and strict neutrality as among the several factions that have disputed with one another for control in China. The Government of the United States expects, however, that the people of China and their leaders will recognize the right of American citizens in China to protection for life and property during the period of conflict for which they are not responsible. In the event that the Chinese authorities are unable to afford such protection it is of course the fundamental duty of the United States to protect the lives and property of its citizens. It is with the possible necessity for this in view that American naval forces are now in Chinese waters.

This Government wishes to deal with China in a most liberal spirit. It holds no concessions in China and has never manifested any imperialistic attitude toward that country. It desires, however, that its citizens be given equal opportunity with the citizens of the other Powers to reside in China and to pursue their legitimate occupations without special privileges, monopolies or spheres of special interest or influence.

Japanese Foreign Minister's Statement on China

The following is the part of the speech dealing with China which was delivered by Baron Shidehara, the Japanese Foreign Minister, before the Imperial Diet on Jan. 17, 1927:

A problem of great international moment on which popular attention now is centred is undoubtedly that which relates to the situation in China. For several years past China has been the scene of endless civil strife. The warring parties in the theatres of war have changed rapidly, but there is no indication in sight of a restoration of peace and stability there.

In the meantime the Southern army, which has been carrying the banner representing the definite platform of political and social reforms since last Summer, has gained the upper reaches of the Yangtse and injected a new element in the nature of civil war in China.

To oppose that movement various military factions of North and Central China have formed a combination known as the "Army for National Security" with the result that the North and South actually are confronting each other, both in arms and in platforms.

It is not possible at this moment to estimate with certainty whether or how far this course of events will affect the rights and interests of foreign Powers or nationals or in what direc-

tion the political situation in China is likely to develop.

For the present it seems particularly advisable to remain unmoved by fragmentary or one-sided reports and exercise the utmost circumspection and calm judgment. However, I shall make a few observations on the existing state of affairs.

First, we naturally are anxious to see the early re-establishment of order and security in China. We are actuated instinctively by sympathy for our neighboring friends and by the need of safeguarding industrial and commercial interests of our nationals.

However, this can be attained only by efforts initiated by the Chinese themselves. Any attempt to force domestic peace by outside pressure would do more harm than good. With the object of lending support and providing full opportunity for the endeavors of the Chinese people who are struggling for peace, we have found it necessary to prohibit all supply of arms and loans to China which might be applied for purposes of civil war.

Since 1919 we have been exercising the most stringent control within the limits of our power to make that prohibition effective, and we have no intention at present of relaxing such control. It seems evident that no foreign Power professing the policy of non-intervention in China's domestic affairs can permit the supply of arms or loans that would assist any faction in China to carry on hostilities against another.

Secondly, the Chinese themselves must decide who shall assume the reins of government in China or what internal policy is sane and wise. If such policy suits Chinese characteristics and serves to promote the internal prosperity and international prestige of China, it will naturally gain ground there.

If, on the contrary, it betrays these expectations it will fall itself. The national life of the Chinese people has grown up with their historical background extending over several thousand years and amid peculiar surroundings. No plans for political and social institutions worked out by any foreign nation can be imposed upon China with lasting success.

Thirdly, our nationals in China are entitled to complete protection of their persons and property and to enjoy all the guarantees of international law accepted by the whole civilized world. These elementary rights assured to our nationals cannot be abridged or modified by political or social changes that may take place in China, nor are we informed so far of any faction there denying such rights.

Obviously, control over the activities of the lawless elements in various localities is at present inadequate, but we hope that such irregularities will be gradually corrected with the restoration of normal conditions.

In the meantime, we have only to keep in touch with those actually exercising authority in each locality and make all possible efforts to secure that due protection is extended to the persons and the property of our nationals, and so far these efforts generally have been successful.

Regarding the Special Conference on the Chinese customs tariff, we sincerely regret that while in session, domestic disturbances there assumed such serious proportions that the Chinese delegates found themselves unable to take part therein, and consequently the delegates of the other Powers issued a joint statement on July 3 last, declaring the suspension of the session until duly authorized representatives shall have been appointed.

The conference thus virtually adjourned, but the constant labor of the participating delegations for nearly ten months by no means has been entirely fruitless.

Particularly the Japanese delegates, conscious of this nation's own past experience and mindful of the trend of public sentiment in China, exerted themselves loyally and unflinchingly to help China in concert with the other Powers in order that the Chinese national aspirations might be realized with world-wide friendly understanding.

Our delegation's efforts have now been widely appreciated and undoubtedly conducted largely to the promotion of the mutual confidence and good-will between Japan and China.

Since the conclusion of the Washington Conference, we have made it a point to bring about an early meeting of the Chinese Customs Conference. When finally the meeting was convoked, we at once responded readily and with gratification, prompted by a genuine desire to contribute materially to the advancement of the general good of the Chinese people while safeguarding the legitimate essential economic interests of Japan.

We have no objection to levying the surtaxes provided in the Washington Customs Treaty, but we must make reasonably certain that

such additional customs revenue shall not be applied directly or indirectly to purposes of civil war or shall not be appropriated to the private use of any faction.

We must satisfy ourselves that the proposed measure generally conforms to the letter and spirit of the Washington treaty. Our sense of the faith of China and our moral responsibilities to her 400,000,000 inhabitants demand that we should arrange for such purposes and conditions for levying the surtaxes required as would secure the proper application of the revenue.

Viewed in this light, the early resumption of the deliberations of the conference seems highly desirable for China and the Powers alike and we wish that responsible men of both the North and the South be appointed members of the Chinese delegation and that they exchange views frankly.

The report submitted by the Commission on Extraterritoriality in China already has been published. The commission was not empowered to conclude a treaty nor was the report intended to have binding force upon our part, but it is undoubtedly of value and importance, for it contains recommendations to the Chinese Government and expresses the opinion that when these recommendations are reasonably complied with, several Powers would feel warranted in relinquishing their respective right of extraterritoriality, and also in recommending certain modifications which the Powers should make in the existing systems of practice pending the abolition of extraterritoriality, and suggesting that such abolition may be effected not for the whole Chinese territory but according to such a progressive scheme, geographical, partial, or otherwise as may be agreed on.

Regarding the proposed revision of the commercial treaty between China and Japan, the proposal of the Chinese Foreign Office involves many legal aspects which would appear at least questionable, but approaching the subject from a wider perspective we avoided all discussion of legal technicality and declared our readiness to enter into negotiations for treaty revision.

While expressly reserving for ourselves the position to which we are entitled, we are prepared to consider the legitimate aspirations of the Chinese people with full sympathy and understanding in the interest of Sino-Japanese friendly relations.

If China should meet us halfway in the same spirit of moderation and good-will, I have no doubt that negotiations will make satisfactory progress. Japan's policy covering all questions of relations between Japan and China may be summarized:

First—Respect the sovereignty and territorial integrity of China and scrupulously avoid all interference in her domestic strife.

Second—Promote the solidarity and economic rapprochement between the two nations.

Third—Entertain sympathetically and helpfully the just aspirations of the Chinese people and cooperate in efforts of realization of such aspirations.

Fourth—Maintain an attitude of patience and toleration in the present situation in China and at the same time protect Japan's legitimate and essential rights and interests by all reasonable means at the disposal of the Government.

CURRENT HISTORY—PART II. [*Continued*]

The Historians' Chronicle of the World

By the Board of Current History Associates

CHAIRMAN: ALBERT BUSHNELL HART, PROFESSOR EMERITUS OF GOVERNMENT, HARVARD UNIVERSITY

PERIOD ENDED FEBRUARY 11, 1927

The Outstanding Events of the Month

By ALBERT BUSHNELL HART

Professor Emeritus of Government, Harvard University

THE interests of the business and politics of the United States are not divisible into twelve periods a year. The machinery of government, whether national, State or local, moves slowly; and serious decisions require a long and strong pressure of public opinion behind them, especially in the action of State and national legislative bodies.

Undoubtedly the liveliest public interest during the last month has been roused by the continuance of the difficulties with other States to the South of us. Seldom has the United States had on its hands for months together three such serious difficulties with Latin-American powers as these now pending with Mexico, Nicaragua and Panama.

Of course, behind these statements by the President or his spokesman, these reports from the State Department, these accurate and widely published secret sessions of the Senate Committee on Foreign Relations is a ruling idea a hundred years old, namely, that the Monroe Doctrine not only means that European nations have much less significant relations with Latin America than the United States, but that the United States has and will exercise much greater influence over them than anybody else in the world. Difficulties arising from unratified treaties, unpaid debts, unfulfilled contracts and unexecuted provisions for the protection of Americans and their

commercial and other interests have been going on for a century.

Such troubles have always been more acute with Mexico than with any other Power, partly because Mexico is a next-door neighbor, partly because its large size and great natural wealth make it a specially promising field for American capital, partly because the Mexicans have gone through a particularly stormy history of insurrections and dictators and confiscations and difficulties among themselves and with both the United States and with European nations. Whatever the party or the President in power in Mexico, they will push as far as they can, until they come into contact with the cordon of the American combination of business interests and foreign policy.

The difficulty with Mexico is accentuated by the immense grants and concessions for the ownership or the use of lands within Mexico to non-Mexicans, mostly from the United States. Considering the laws of the several States of our Union which forbid aliens from acquiring title to real estate, the United States is not in a position to deny the right of the Mexican Government to make similar regulations; but it does insist that no change of Constitution or laws can annul titles previously acquired. Whether we should accept that principle as applying to action by our own Congress

and State legislatures is somewhat doubtful; but we certainly claim that such interference with title, even if required by the public good (as in the case of taking land by eminent domain), would call for indemnification; and that not in promises or certificates or bonds but in cash.

It is difficult to see how the United States could enter into an arbitration in which that principle was to be treated as still justifiable. A war against Mexico, to obtain recognition of titles to property, without the provocation of attacks on the persons or lives of American citizens, would be an unpleasant reminder of the Mexican War which was in progress just eighty years ago. Should arbitration be selected as the means to the desirable end of peace and harmony, it would undoubtedly be a special arbitration, inasmuch as the unwillingness of Great Britain and other powerful members of the League of Nations to accept the reservations proposed by the United States to the statute creating the World Court makes it certain that the United States will not make use of that Court as a tribunal for settling any international difficulties, pending or future.

With Nicaragua, the question is very different. The United States has, ever since the Taft Administration, supported a group of native political leaders who might be expected to carry out the treaty by which the United States is assured the sole privilege of constructing an interoceanic canal across that country. Whether the Panama Canal will suffice, or should be duplicated on that isthmus, or a second canal should be built through Nicaragua, is on the knees of the gods. Certainly no opportunity should be allowed to any other nation in the world to own or control a waterway which is as important to the United States as Long Island Sound or Chesapeake Bay.

The Panama question is simply another phase of the same issue. President Hayes took the ground that any canal from the Atlantic to the Pacific would be "part of the coastline of the United States." President Roosevelt carried that principle into execution by his Panama Treaty of 1904. The subsequent treaty with Colombia, which in addition to other things provided for the payment by the United States of

\$25,000,000, removed the claims of the nation within which that territory lay for near a hundred years. The issue now raised by individual citizens of Panama—whatever there is of Government in that republic seems to be in favor of the pending treaty—is whether the paramount interest demanded and accorded by the Treaty of 1904 shall be further defined and made available.

Behind the controversies with all three countries, Mexico, Nicaragua and Panama, lies the general question of the status and rights of weak, undeveloped and ungovernable peoples, who are in possession of strategic points and great national resources, in relation to the stronger and more highly organized countries. That is precisely the question which at present most disturbs the League of Nations in Geneva.

These American questions have some connection with naval power, for our gunboats are useful as marine policemen in Central America. A larger question is raised by President Coolidge's proposal for an agreement on naval armaments to supplement the Washington Treaty of 1922. Such a proposition from a country so competent to build naval craft of any size is a great pacific event, and at the same time evidence that international agreements can be reached outside the Council of the League of Nations. The United States is the only Western Power that has no apprehension of invasion, and can therefore with clear conscience urge that all nations refrain from all armed force available for the purpose of invading other countries.

Turning from external to internal affairs, President Coolidge goes on his way in the matter-of-fact, cool and self-contained fashion to which he has accustomed the country. Congress at times seems like a craft without a rudder, or rather a craft with two rudders in the two ends of the good ship Capitol, steering different courses. The President is unperturbed. The recent decision of the Supreme Court affirms the independent power of the President to remove all executive officers appointed by the President with the consent of the Senate. It is that power, exercised by every President from Washington down,

which gives to the executive system of the United States a unity, a simplicity and a directness that are enjoyed by no State in the Union.

The national departments and their bureaus with their numerous ramifications are in sad confusion, and the efforts of several Presidents to forward a general measure of reorganization have so far failed; but in national affairs we are saved the humiliating spectacle of a State Treasurer or Director of Corporations or Superintendent of Game Preserves acting in defiance of the head of the Government. The two projects for enlarging the Cabinet, one put forward by the National Education Association for a Secretary of Education and the other now proposed for the creation of what is virtually a Department of Public Engineering, sponsored by the American Engineering Council, may initiate a process of executive readjustment, but cannot destroy the President's constitutional right to dismiss an executive official with whom he is not in harmony.

Congress, adjourning on March 4, may or may not approach a settlement of the two immensely important questions of national control of radio and of farm relief.

The idea of "property in space" must be faced and settled by the National Government. The idea of allotting pipes in the air to those private concerns that were the first to act seems on the face of it difficult to realize. Radio is not only national; it is international. Already Canada and the United States are at odds over conflicts of the invisible "frequencies."

Another critical question which must be settled before the next Presidential election is that of extending to the farmers some of the beneficent results which are believed to have been brought about by the protective tariff for the benefit of workers in manufacturing establishments. Nobody who drives through the country can fail to realize that farming as a business is in a deplorable condition. Can those who raise corn, wheat, sugar beets, cotton, fruit and early vegetables agree on a measure that will help them all out of the present dangerous situation? Three things are certain—first, that the farmers need help; second, that they will not be satisfied until they obtain relief, and third, that the Republican Party will not be happy till the farmers are appeased.

International Events

THE whole question of disarmament entered upon a new phase when President Coolidge on Feb. 10 issued his invitation to the leading naval powers—Great Britain, France, Italy and Japan—to negotiate a supplementary agreement limiting the different kinds of naval craft not covered by the Washington Treaty of 1922. Three of the features of the President's plan are that the question of limiting naval armaments be separated from that of reducing land and air forces, that the proposed supplementary agreement limiting naval armaments be negotiated and concluded without waiting for the general disarmament conference for which the Preparatory Commission is arranging, and that the 5-5-3 ratio be applied to all auxiliary vessels not included under the Washington Treaty, except in the case of France and

Italy, whose special needs should be left to be discussed by the proposed conference. (The text of the President's message is printed at the end of this article.)

GERMAN ARMAMENTS

The allied control over German armaments was terminated on Feb. 1, and future controversial questions regarding them will be decided by the Council of the League. France retains her right to enter a complaint regarding alleged violations of the Versailles Treaty; and if to a majority of the Council the evidence seems sufficient, a mixed commission of investigation will be appointed to determine the facts and report.

The questions at issue between the Allied Commission of Control and the German Government, left unsettled by the last meeting of the Council and requiring a de-

termination, were difficult of solution; and they were the subject of vigorous debate in Berlin and in Paris from Dec. 12 to the end of January. It was in the interest of both parties to reach an agreement rather than to allow the controversy to be transferred to the Council; and, although each side fought with all its powers in support of its contentions, each was willing to compromise. Agreement was necessary on two subjects—the fortresses on the eastern frontier of Germany and the right of Germany to manufacture goods capable of use as war material.

Under Article 180 of the Peace Treaty the German Government was permitted to maintain certain fortifications, notably those at Koenigsberg, on her eastern border. Acting on the assumption that the right to "maintain" included the right to keep these fortresses up to date in their equipment, certain renovations were undertaken which in the opinion of the Allied officials constituted a violation of the agreement. Recently it was discovered that the German Government had permitted the construction of other minor improvements of a military character at Gustrin and Glogau. The Germans vigorously contended that none of these constructions were in excess of their rights and proposed that the question should be judicially determined. This request was categorically refused by the Allied Military Commission on Jan. 17, and the German representatives, General Pawels and Herr Foerster, were compelled to ask for new instructions. Not until the final day of the deliberations did the newly established Marx Cabinet agree to accept the Allied contention and to restore the fortresses to the condition they were in in 1920. What amounts to a demilitarized area is to be created along the Polish, the Czechoslovakian and the Austrian frontiers, within which no fortification is to be allowed other than that which existed before 1920.

The problem of the manufacture of war material was still more difficult, for it involved a definition of what was meant by the term as it is used in Article 168 of the treaty. The German Government at

first took the position that only finished weapons used in actual warfare were included within the meaning of the term; but they were soon driven to admit that it meant "material destined for the purpose of war." Even this definition did not make the solution of the question easy. Were partly finished articles, sold for the export trade, destined for use in war or in peace? Was a lens, for example, to be used in a rangefinder or in some instrument of daily use? The decision reached on Jan. 22 and adopted by the National Association of German Industrialists is admitted to be extremely unfavorable to German industry and was accepted only because of its political necessity. Aside from the ordinary items of army equipment, Germany may neither manufacture nor export a long list of articles such as barbed wire, searchlights, sound measuring apparatus and wireless transmission outfits. Another group of articles, including patterns for molding guns or parts, machines for making ammunition and soldiers' uniforms, Germany may manufacture for export but not for the home market. The Reichswehr may be supplied with goods of domestic manufacture, but only to a rigidly limited extent. Should foreign manufacturers make complaint of any violation of the agreement the issue is to be tried in the German courts, from the decision of which an appeal may be taken to the World Court. All these restrictions are to be incorporated in a bill which the German Government has agreed to pass through the Reichstag.

THE WORLD COURT

The United States Senate on Feb. 9 rejected by a vote of 59 to 30 a resolution designed to rescind the action by which it assented to American membership in the World Court. The same day a press dispatch from Geneva stated that the British Government had informed the League of Nations that it was replying to the American World Court reservations in accordance with the decisions of the World Court Signatories' Conference at Geneva last year, and that as that conference did not accept the fifth American reservation concerning advisory opinions, it was thought

that the British reply amounted to rejection of the American reservations. Since it needed only a single member of the World Court to reject the American reservations, and since President Coolidge had declared he would not submit the matter to the Senate again, Great Britain's action was regarded as ending the question of American participation.

THE ECONOMIC CONFERENCE

President Coolidge on Feb. 5 asked for an appropriation of \$15,000 to meet the expenses of American delegates attending the Economic Conference at Geneva, which is to open on May 4. "I consider it important," he said, "to participate by the appointment of members, not only in order that this Government may be adequately informed of discussions in their relation to American interest, but also that the American point of view may be duly presented in the hope of contributing to the development of sound economic foundations of friendly intercourse and prosperity."

RUSSIAN BOYCOTT OF SWITZERLAND

Russia on Jan. 24 declined the invitation to attend the projected Economic Conference at Geneva on the ground that, owing to its controversy with the Swiss Government growing out of the murder of the Soviet envoy, Vorowsky, it was unwilling to send representatives to any meeting held on Swiss soil. This Russian policy was reinforced by a note from Tchitcherin, the Russian Foreign Minister, to the League of Nations Secretariat on Feb. 9, in which the Soviet Government refused an invitation to attend a conference in Geneva for the formation of an international relief union to aid victims of great disasters. The note read in part:

The Government of Russia has had on numerous occasions to tell the League of Nations that all invitations to participate in meetings convoked in Swiss territory are considered by it null and void. Since, despite these declarations, similar invitations such as the present one continue to come to my Government I am obliged to return to you under its original cover the letter of Jan. 18, my Government refusing categorically to consider itself as invited

to any conference called to meet on Swiss soil.

END OF DEBT COMMISSION

The World War Foreign Debt Commission, of which Secretary Mellon was Chairman, went out of existence on Feb. 9 by automatic legal termination. The commission was created by Congress on Feb. 9, 1922, for three years, and in 1925 its life was extended two years. As the commission had practically completed the work entrusted to it by Congress, Secretary Mellon did not believe it need be further extended. Greece has not refunded its debt, but has requested additional advances under credits previously established. Secretary Mellon feels that if occasion should arise to undertake negotiations covering debts not yet funded the matter might be handled informally by him, with such former members of the commission as were in Washington, and report made direct to Congress.

Russia, Austria and Liberia are the only countries other than Greece that have not effected a settlement. To Austria has been granted a moratorium until 1943; the proposals of Greece are before Congress; the Liberian debt (\$80,000) is very small, and no negotiation can be conducted with Soviet Russia as a country whose Government has not been recognized by the United States. The settlements made by the commission were:

Country.	Funded Debt.
Belgium	\$417,780,000
Czechoslovakia	115,000,000
Estonia	13,830,000
Finland	9,000,000
France	4,025,000,000
Great Britain	4,600,000,000
Hungary	1,939,000
Italy	2,042,000,000
Latvia	5,775,000
Lithuania	6,030,000
Poland	178,560,000
Rumania	44,590,000
Yugoslavia	62,850,000
Total	\$11,522,354,000

With the passing of the commission there also disappeared any chance of France obtaining from that body a modification of the Mellon-Bérenger agreement under which the original French debt of

\$3,340,516,043.72 was funded at \$4,025,000,000 in principal and interest. Secretary Mellon takes the stand that this funding deal has been closed and that any further modification must come from Congress. The House has approved the French settlement, while the Senate is awaiting its ratification by the French Parliament.

On Jan. 17 our Ambassador, Mr. Herrick, discussed the subject with M. Poincaré, and the following day M. Malvy, President of the Finance Commission of the Chamber of Deputies, read from the tribune a letter from M. Poincaré in which he took occasion to deny reports that the United States was pressing the French Government for settlement. Mr. Mellon's statement on Feb. 3, to the effect that the United States Government will impose no restrictions on private offerings of foreign securities in this country, will make it easier for M. Poincaré.

GERMAN PAYMENTS TO AMERICA

The State Department announced on Feb. 5 that an arrangement had been confirmed between the United States and German Governments on Dec. 8, 1926, whereby German firms doing business in the United States would deposit monthly sums in dollars in the Federal Reserve Bank of New York to the amount that would be credited in Germany to the United States for reparation payments, and that such firms would be reimbursed in reichsmarks in Germany.

The Alien Property Adjustment bill, reported to the Senate on Feb. 5, provides

that 40 per cent. of the alien property seized by the United States during the World War is to be retained to guarantee the payment of claims of American nationals.

THE EUROPEAN STEEL TRUST

All is not peaceful in the new European Steel Trust. When the quotas were originally established the German manufacturers claimed that the allotment to them was based on their production during a period of business depression. At the end of the first quarter they found themselves compelled to pay into the pool more than \$2,000,000 as a penalty for overproduction, and, as is their right under the agreement, they asked, on Jan. 28, that in the quota for the new quarter they should be given an increased tonnage. The rules provide for revision by a three-fourths vote (the voting being on the basis of the tonnage in the existing quota), but with the qualifying provision that unanimity, except for one country, is to constitute a sufficient majority even if that country may possess more than a quarter of the votes. The French and Belgian steel makers have been hard hit in consequence of the rise in the value of the franc, but they are as unwilling as were the Germans a few months ago to have their quota based on present production. They declare that the Germans are seeking to break up the combination and, in alliance with the British manufacturers, to prevent the French from invading the world market. At a meeting in Luxemburg on Feb. 7 the German demands were refused.

J. T. G.

President Coolidge's Message on Naval Armaments

The following is the full text of President Coolidge's special message sent to Congress on Feb. 10, 1927, on the further limitation of naval armaments and of the identic memorandum presented to four other Powers signatory to the Washington naval treaty—Great Britain, France, Italy and Japan:

To the Congress of the United States:

Pursuant to my instructions, the American Ambassadors at London, Paris, Rome and Tokio will today present to the Governments

of Great Britain, France, Italy and Japan a memorandum suggesting that they empower their delegates at the forthcoming meeting of the Preparatory Commission for the Disarmament Conference at Geneva, to negotiate and conclude at an early date an agreement further limiting naval armament, supplementing the Washington treaty on that subject, and covering the classes of vessels not covered by that treaty. I transmit herewith, for the information of the Congress, a copy of this memorandum.

I wish to inform the Congress of the considerations which have moved me to take this action.

The support of all measures looking to the preservation of the peace of the world has

been long established as a fundamental policy of this Government. The American Government and people are convinced that competitive armaments constitute one of the most dangerous contributing causes of international suspicion and discord and are calculated eventually to lead to war. A recognition of this fact and a desire as far as possible to remove this danger led the American Government in 1921 to call the Washington Conference.

At that time we were engaged in a great building program which, upon its completion, would have given us first place on the sea. We felt then, however, and feel now, that the policy we then advocated—that of deliberate self-denial and limitation of naval armament by the great naval Powers—promised the attainment of at least one guarantee of peace, an end worthy of mutual adjustment and cessation.

At the Washington Conference we found the other nations animated with the same desire as ourselves to remove naval competition from the list of possible causes of international discord. Unfortunately, however, it was not possible to reach agreements at Washington covering all classes of naval ships. The Washington Treaty provided a specific tonnage limitation upon capital ships and aircraft carriers, with certain restrictions as to size and maximum calibre of guns for other vessels. Every nation has been at complete liberty to build any number of cruisers, destroyers and submarines. Only size and armament of cruisers were limited. The signatories of the Washington Treaty have fulfilled their obligations faithfully, and there can be no doubt that that treaty constitutes an outstanding success in its operation.

It has been the hope of the American Government, constantly expressed by the Congress since the Washington Conference, that a favorable opportunity might present itself to complete the work begun here by the conclusion of further agreements covering cruisers, destroyers and submarines. The desirability of such an agreement has been apparent, since it was only to be expected that the spirit of competition, stifled as regards capital ships and aircraft carriers by the Washington Treaty, would, sooner or later, show itself with regard to the other vessels not limited under the treaty. Actually, I do not believe that competitive building of these classes of ships has begun. Nevertheless, far-reaching building programs have been laid down by certain Powers, and there has appeared in our own country, as well as abroad, a sentiment urging naval construction on the ground that such construction is taking place elsewhere. In such sentiment lies the germ of renewed naval competition.

I am sure that all Governments and all peoples would choose a system of naval limitation in preference to consciously reverting to competitive building. Therefore, in the hope of bringing about an opportunity for discussion among the principal naval Powers to ascertain whether further limitation is practicable, I have suggested to them that negotiations on this subject should begin as soon as possible.

The moment seems particularly opportune to try to secure further limitation of armament in accordance with the expressed will of the Congress. The earnest desire of the nations of the world to relieve themselves in as great a measure as possible of the burden of armaments and to avoid the dangers of competition

has been shown by the establishment of the Preparatory Commission for the Disarmament Conference, which met in Geneva last May, and which is continuing its work with a view to preparing the agenda for a final general conference. For more than six months representatives of a score or more of nations have examined from all points of view the problem of the reduction and limitation of armaments. In these discussions it was brought out very clearly that a number of nations felt that land, sea and air armaments were interdependent and that it would be difficult, if not impossible, to agree upon the limitation of one type of armament without simultaneously limiting the other types.

The consequence to be feared is that a deadlock will be reached, should even partial progress in the reduction of armaments be conditioned upon the acceptance of some universal plan covering land, sea and air forces together. If the prospective deadlock cannot be broken, it is probable that little progress will be made for the time being. It appears to me to be the duty of this Government, which has always advocated limitation of armaments, to endeavor to suggest some avenue by which concrete results may be achieved even though such results may be short of an ultimate ideal solution for the three-fold problem of land, sea and air armament.

Our delegates at Geneva have consistently expressed the view that under conditions as they exist in the world today the problems of land and air armaments are most susceptible of solution by regional agreements covering regions within which the land or air armaments of one country could constitute a potential threat to another country. Geographical continents have been suggested as regions appropriate for land and air limitation agreements.

The American land and air forces constitute a threat to no one. They are at minimum strength; their reduction has been suggested by no one as a necessary condition precedent to general arms limitation. This reduction of our land forces has been rendered possible by our favored geographical condition. I realize that the problems of armaments on land and in the air in Europe are beset with difficulties which in all justice we must recognize, and, although this Government will always be ready to lend its assistance in any appropriate way to efforts on the part of European or other Governments to arrive at regional agreements limiting land and air forces, it would hesitate to make specific proposals on this subject to European nations.

The problem of the limitation of naval armament, while not regional in character or susceptible of regional treatment, has been successfully treated, in part, by an agreement among the five leading naval Powers, and, in my opinion, can be definitely dealt with by further agreements among these Powers.

It will be a contribution to the success of the preliminary work now going on at Geneva should the great naval Powers there agree upon a further definite limitation of naval armament.

It is my intention that the American representatives at Geneva should continue to discuss with the representatives of the other nations there the program for a general limitation of armaments conference. If such a conference should be possible in the future, on a basis generally acceptable, this Government

would, of course, be highly gratified. Pending the formulation of the plan for a general conference, however, I believe that we should make an immediate and sincere effort to solve the problem of naval limitation, the solution of which would do much to make the efforts toward more general limitation successful.

CALVIN COOLIDGE.

The White House, Feb. 10, 1927.

MEMORANDUM

The memorandum accompanying the President's message follows:

The American Government has followed with close attention the proceedings of the Preparatory Commission for the disarmament conference, and after the most careful deliberation has concluded that it can helpfully make certain observations at this time which, it hopes, may contribute materially to the success of that commission—a success earnestly desired by the Government and people of the United States.

The conviction that the competitive augmentation of national armaments has been one of the principal causes of international suspicion and ill-will, leading to war, is firmly held by the American Government and people. Hence the American Government has neglected no opportunity to lend its sympathy and support to international efforts to reduce and limit armaments.

The success of the Washington Conference of 1921-22 demonstrated that other Powers were animated with a similar desire to do away with this dangerous source of international discord. The Washington Conference made a beginning, however, and it has been the continued hope of the American Government since 1922 that the task undertaken at Washington by the group of naval Powers could be resumed and completed.

For this reason the American Government was happy to observe that the efforts looking toward the holding of a general international conference for the limitation of armament, which had been in progress for several years under the auspices of the League of Nations, had reached, in December, 1925, a stage sufficiently advanced, in the opinion of the Council of the League of Nations, to warrant the establishment of the Preparatory Commission, to meet in 1926, to prepare the ground for an international conference at an early date. The American Government, pursuant to its policy of cooperation with all efforts calculated to bring about an actual limitation of armament, accepted the invitation of the Council to be represented on the Preparatory Commission. The American representatives on that commission have endeavored to play a helpful part in its discussions, and they will continue to be guided by that policy.

The American Government believes that the discussions of the commission have been most valuable in making clear the views of the various Governments as to the problems presented, and in demonstrating the complexity and diversity of the obstacles to be overcome in the preparation and conclusion of a general agreement for the limitation of all armament.

At the same time, these very complexities and difficulties, as brought out in the Preparatory Commission, have clearly pointed out that a final solution for the problem of armament may not be immediately practicable. Indeed,

at the latest meeting of the Council of the League of Nations several distinguished statesmen, leaders in the movement for the limitation of armament, sounded a note of warning against too great optimism of immediate success.

The American Government is most anxious that concrete results in the limitation of armament may be achieved. The discussions of the Preparatory Commission have emphasized the fact that a number of Governments consider that one of the chief present obstacles to the general reduction and limitation of armaments lies in the interdependence of land, sea and air armaments, and in the consequent impossibility of reducing or limiting one of these categories without dealing simultaneously with the others.

On the other hand, the discussions have demonstrated even more emphatically that, should all effort to bring about the reduction or limitation of armament be conditioned upon the acceptance by all the world of a comprehensive plan covering all classes and types of armament, there would be little, if any, prospect of actual progress toward arms limitation in the near future.

The above difficulties must be frankly recognized. The American Government believes that they can be overcome and that they must be overcome, since the consequences of a failure to overcome them, and to make some definite, if only partial, agreement for the limitation of armament would constitute a setback to the cause of international peace too great to deserve serious contemplation as a possibility.

Admitting reluctantly that the existing political situations in certain parts of the world may render the problem of universal limitation incapable of immediate solution as a whole, the American Government believes that it is entirely practicable for the nations of the world to proceed at once to the isolation and separate solution of such problems as may appear susceptible of such treatment, meanwhile continuing to give sympathetic consideration and discussion to comprehensive proposals aimed at the simultaneous limitation of land, sea and air armaments by a general agreement when such an agreement may be warranted by existing world conditions. The American Government believes that the adoption of such a course is the duty of the Governments represented on the Preparatory Commission and that by so doing they will insure the achievement by the commission and by the general conference of concrete, even though perhaps only partial, results, thus facilitating progress toward the final solution of the general problem.

The American Government, as its representatives on the Preparatory Commission have repeatedly stated, feels that land and air armaments constitute essentially regional problems to be solved primarily by regional agreements. The American army and air force are at minimum strength. Agreement for land and air limitation in other regions of the world would not be dependent upon the reduction or limitation of American land and air forces. Therefore the American Government does not feel that it can appropriately offer definite suggestions to other Powers in regard to the limitation of these categories of armament.

The problem of the limitation of naval armament, while not regional in character, can be dealt with as a practical matter by measures affecting the navies of a limited group of

Powers. This has been clearly established by the success of the Washington Treaty limiting naval armament. The United States, as the initiator of the Washington conference, and as one of the principal naval Powers, has a direct interest in this question, and, being both ready and willing to enter into an agreement further limiting naval armament, feels itself privileged to indicate a course of procedure which will, in its opinion, lead to such an agreement.

The discussions over a period of six months in Geneva have been most useful in the opportunity afforded for an exchange of views as to the general problem of naval limitation, and on the basis of these discussions it is felt that there is a possibility of reconciling many of the divergent views which have been expressed in such a manner as to meet the requirements of the naval Powers and enable them to decide upon acceptable measures of limitation.

In order to advance definitely toward a limitation agreement, the Government of the United States takes this method of addressing an inquiry to the Government signatories of the Washington Treaty limiting naval armament as to whether they are disposed to empower their representatives at the forthcoming meeting of the Preparatory Commission to initiate negotiations looking toward an agreement providing for limitation in the classes of naval vessels not covered by the Washington Treaty.

The American Government is not unmindful of the fact that the Preparatory Commission is not specifically charged with the duty of concluding international agreements, and that its task is primarily that of preparing the agenda for a conference to be called at a later date. Nevertheless, being sincerely desirous of the success of the Preparatory Commission, the American Government makes this suggestion in the firm belief that the conclusion at Geneva, as soon as possible, among the Powers signatories of the Washington Treaty, of an agreement for further naval limitation, far from interfering with or detracting from the success of the Preparatory Commission's aims, would constitute a valuable contribution to the sum of achievement attributable to that commission and would facilitate the task of the final conference in dealing with the particularly complex problems of land and air armament, perhaps capable of solution for the present only by regional limitation agreements.

It seems probable that under any circumstances the final conference will not be able to meet during this calendar year. The coming into effect of agreements reached by it might be delayed for a considerable period for a multitude of causes. Therefore the American Government believes that those Powers which may be able to arrive at an agreement for further naval limitation at an earlier date would not be justified in consciously postponing that agreement and thereby opening the way for a recrudescence of a spirit of competitive naval building—a development greatly to be deplored by all Governments and peoples.

The American Government feels that the general principles of the Washington Treaty offer a suitable basis for further discussions among its signatories.

Although hesitating at this time to put forward rigid proposals as regards the ratios of naval strength to be maintained by the different Powers, the American Government, for its part, is disposed to accept, in regard to those classes of vessels not covered by the Washington Treaty, an extension of the 5-5-3 ratio as regards the United States, Great Britain and Japan, and to leave to discussion at Geneva the ratios of France and Italy, taking into full account their special conditions and requirements in regard to the types of vessels in question. Ratios for capital ships and aircraft carriers were established by that treaty which would not be affected in any way by an agreement covering other classes of ships.

The American representatives at the forthcoming meeting at Geneva will, of course, participate fully in the discussions looking to the preparation of an agenda for a final general conference for the limitation of armament. In addition, they will have full powers to negotiate definitely regarding measures for further naval limitation, and, if they are able to reach agreement with the representatives of the other signatories of the Washington Treaty, to conclude a convention embodying such agreement, in tentative or final form, as may be found practicable.

The American Government earnestly hopes that the institution of such negotiations at Geneva may be agreeable to the Governments of the British Empire, France, Italy and Japan, and that comprehensive limitation of all types of naval armament may be brought into effect among the principal naval Powers without delay.

The United States

WITH the exception of action by the Senate on the McNary-Haugen farm relief bill most of the measures which have been particularly the subjects of controversy in Congress were making little progress toward final enactment when this review was prepared. Nor had any decision been reached in the case of the Illinois Senatorship, partly, perhaps, because of the report that Colonel Frank

L. Smith, whose admission to a seat had been held up, was seriously ill.

Reversing its attitude of June, 1926, when the McNary-Haugen farm relief bill was defeated by six votes, the Senate on Feb. 11 passed the bill by 47 votes to 39. The majority consisted of 24 Republicans, 22 Democrats and Senator Shipstead, the Farmer-Labor member, while the combination against the measure was made up of

22 Republicans and 17 Democrats. By decisive votes the Senate on the same day killed not only Senator Harrison's proposal to defer the equalization fee on cotton for two years, but also a proposal to postpone the fee on all the basic commodities for two years as well as another proposal to make the postponement one year. The Curtis-Crisp substitute bill, favored by the Administration, was defeated by a vote of 54 to 32. An amendment by Senator McKellar, allowing the Federal Farm Board established under the bill to defer the equalization fee until it became satisfied that a majority of the producers of the commodity desired it, was accepted. The commodities with which the McNary-Haugen bill deals include cotton, wheat, corn, rice, swine and tobacco.

A proposal by the Senate members of the conference committee on the Naval Appropriation bill to cut down the appropriation for the three cruisers from \$1,200,000 to \$150,000, thereby allowing \$50,000 with which to begin work on each ship, was reported on Feb. 7. The purpose of the proposal, it was said, was not only to meet the objections of President Coolidge, but also to extend the authorization for the construction of the cruisers which otherwise would expire on July 1.

The Army Appropriation bill, carrying \$360,000,000, or about \$3,000,000 more than the amount proposed by the House, passed the Senate on Feb. 5. An additional appropriation of \$3,524,000 to increase the enlisted force of the army from 110,000 to 115,000 for the remainder of the present fiscal year was asked for by President Coolidge on Feb. 2. The bill is in the hands of a conference committee.

Passage of a compromise radio bill, under which the regulation of radio communication would be vested for one year in a Federal commission, and after that in the Secretary of Commerce, was delayed by pronounced opposition in the Senate. An attempt to recommit the bill on Feb. 7 to a conference committee failed, however, and the early passage of the bill was predicted.

An additional appropriation of \$100,000,000 for public buildings, doubling the appropriation already made for that purpose, was voted by the House on Feb. 7.

Renewed efforts by the Democrats in Congress to force a reduction of taxes have met with failure. An attempt by Senator Reed of Missouri, on Jan. 27, to attach the substance of President Coolidge's tax refund plan as a rider to the Urgent Deficiency bill was overruled by Vice President Dawes on a point of order, and on the next day the bill, which had already been passed by the House, was approved by the Senate. Such hope of success as remained apparently disappeared on Feb. 4, when the Senate, by a vote of 46 to 33, declared in favor of applying any Treasury surplus to the reduction of the national debt.

Receipts from Federal income taxes for the calendar year 1926, the figures of which were announced on Jan. 25, aggregated \$2,172,127,321.43, an increase of \$346,423,185.50 over the previous year. The effect of the Revenue act of 1926, which lowered the taxes on estates, automobiles and motorcycles and raised the limit of exemption in the case of theatre tickets, was seen in diminished receipts from those sources.

Figures made public on Feb. 4 showed a reduction of 14,364 in the number of civil service employes since July 1, 1926. Of that number 1,242 were at Washington.

Further light on the methods of the Federal Government in enforcing national prohibition has been shed by the discovery that Federal prohibition agents had in several instances operated "speakeasies" for the purpose of entrapping bootleggers, and that under-cover methods, including spying and smuggling, were extensively used. In a report on the subject submitted to the Senate on Jan. 25, in response to a resolution calling for information, General Lincoln C. Andrews, Assistant Secretary of the Treasury, and D. H. Blair, Commissioner of Internal Revenue, declared that "without meaning to justify the individual cases reported where agents have resorted to questionable methods in order to obtain the organization, secrets and methods of operation of bootleggers, it should be frankly stated that without the employment of under-cover methods and the willingness of Government servants to become identified with the law violators in order to unearth their secrets, prohibi-

tion enforcement will be handicapped almost to the point of failure." So great was the volume of protest over the revelation of Government methods that Secretary Mellon on Jan. 27 issued an order forbidding further illegal acts by Federal agents intended to bring about violations of the prohibitory laws.

Resolutions charging Federal Judge Frank Cooper of the Northern District of New York with "countenancing, suggesting and encouraging rum-running" in aid of prohibition enforcement, and calling for his impeachment, were offered in the House of Representatives on Jan. 26 by Representatives LaGuardia and Celler of New York. Hearings on the charges were begun by the Judiciary Committee on Feb. 10.

A bill favored by Secretary Mellon and General Andrews, under which a Federal corporation would take over the manufacture and distribution of medicinal whisky, was rejected by the Ways and Means Committee of the House on Feb. 2 by a vote of 16 to 8.

The New York Assembly, by a vote of 83 to 51, passed a resolution on Jan. 31 calling upon Congress to prohibit the use of poisonous denaturants in alcohol.

The Metropolitan Life Insurance Company reported on Jan. 29 that the death rate from alcoholism among its 17,000,000 holders of industrial policies was greater in 1926 than in any year since 1917. Dr. Charles Norris, Chief Medical Examiner of New York City, in a report submitted to Mayor Walker on Feb. 5, declared that

"speakeasies" in the city greatly outnumbered the saloons of pre-prohibition times, that pure whisky for medicinal purposes was practically unobtainable, and that the use of poisoned liquor and liquor of poor quality constituted a menace to public health and had resulted in more deaths than from vehicular accidents and gas poisoning.

Wage increases amounting to about \$4,500,000, affecting some 60,000 employes of the American Railway Express Company, were announced by the Federal Board of Arbitration on Jan. 13. A similar increase of about \$5,000,000 was awarded to 31,000 firemen and engineers of fifty-nine railway lines east of Chicago and north of the Ohio River on Feb. 5, and an increase of about \$3,300,000, affecting some 22,000 employes of Southeastern lines, on Feb. 8.

The right of the Senate to compel the attendance of witnesses, and to punish for contempt witnesses who refuse to testify, was affirmed by the United States Supreme Court on Jan. 17. The case was that of Mal S. Daugherty, brother of Harry M. Daugherty, Attorney General in the Harding Cabinet, who failed to answer questions put to him at the investigation by the Brookhart committee of the Daugherty administration of the Department of Justice.

Hearings on arguments looking to a new trial of the famous cases of Nicola Sacco and Bartolomeo Vanzetti, on the ground of newly discovered evidence, were begun in the Massachusetts Supreme Court on Jan. 27.

W. MACD.

Mexico and Central America

NUMEROUS reports indicate that many sporadic but apparently abortive revolutionary outbreaks occurred and also that many acts of banditry were committed throughout Mexico during January. The most formidable outbreaks occurred in the States of Jalisco, Durango, Coahuila and Guerrero. In Jalisco the rebels were reported to have been defeated in mid-January at Tepatitlan, with the loss of 100 killed. At the same time the defeat of

300 rebels in Durango, with the loss of 15 killed, was officially reported. On Jan. 18 the War Department announced that sections in Jalisco and Durango, where the uprisings had been most severe were rapidly being pacified, and on Jan. 28 reported further Federal victories over rebel bands in the States of Jalisco, Vera Cruz, Zacatecas, Guanajuato and Guerrero. The month closed with the Mexican Government and newspapers alike reporting the

continued success of Federal troops against rebel and bandit bands throughout the country. Orders for the confiscation of rebels in arms and of all persons found to be associated with rebel movements, the proceeds from such confiscation to be applied to help defray the damage caused by the rebels, were issued by the Government on Jan. 22.

Most of the news dispatches from Mexico City during January represented the revolutionary outbreaks in Mexico as being directed by Catholics, who are resentful because of the new laws putting into operation the religious and educational provisions of the Constitution of 1917. Denial that Catholics as such were involved in any of the revolutionary disorders were made by the Catholic Episcopate on Jan. 4; again on Jan. 12 the Episcopate vigorously denied charges (contained in a formal statement issued at the President's Palace in Mexico City) of provoking rebellions and uprisings.

The arrest of Bishop Pascual Díaz, Secretary and spokesman of the Episcopate, of four other prelates, and of twenty Catholic men and women, was effected by the Government on Jan. 10. Orders for the deportation of Bishop Díaz, who was charged with being implicated in a movement started by Catholics in various parts of the republic to overthrow the Calles Government, were issued by Minister of the Interior Tejada on Jan. 10. Two days later the Government formally charged Díaz with being an "intellectual leader" of the Catholic revolution. Those arrested with Bishop Díaz were subsequently released. From the Guatemala boundary, where he was deported from Mexico, Bishop Díaz proceeded, by special permit of the Guatemalan Government, to Guatemala City, and thence to New York, where he arrived on Feb. 1. The Mexican Catholic Episcopate on Jan. 12 protested "against the outrage committed on the person of Bishop Pascual Díaz." In an interview given in New York on Feb. 5 Bishop Díaz denied that he had had any part in the revolution and declared that his exile was unjust.

Charges that the Catholics were responsible for the Mexican revolutionary movements were reiterated by President Calles's Chief of Staff on Jan. 18, and were cate-

gorically denied by the Episcopate the same day. Numerous reports current in mid-January to the effect that Archbishop Orozco y Jiménez of Jalisco was personally in charge of the rebellion in that State were characterized as "wholly false" by General Manzo, Federal Military Commander of Jalisco, on Jan. 24. Nevertheless, ten Government agents were reported to have left Mexico City for Guadalajara on Jan. 27, armed with orders to bring the Archbishop to the capital, dead or alive.

A Government order issued on Jan. 30 required all Catholic priests in Mexico to report to the Secretary of the Interior before Feb. 10 under penalty of being declared outlaws.

The Government on Feb. 7 and Feb. 8 declared it had forestalled subversive plots in Tampico, Queretaro and Guanajuato. The League for the Defense of Religious Liberty was accused of planning uprisings in the two States last mentioned.

From the office of President Calles on Feb. 10 a statement was issued announcing definite suppression of the "Catholic revolution." The statement admitted that a few rebel groups, under a banner bearing the legend: "Long live Christ the King!" and carrying flags with pictures of the Virgin of Guadalupe, remained in the field, but declared that they were being rapidly dispersed by Federal troops. Rebel defeats in half a dozen States during the past month were cited. Further charges of Catholic instigation were included. Various reports of fighting in the States of Guanajuato, Vera Cruz and Queretaro were published at this same date. Reports on Feb. 11 of the appearance of insurgents in Aguascalientes seemed to indicate the spread of revolt to a new field.

Federal District Justice Mendoza Lopez was reported on Feb. 8 to be continuing the granting of injunctions to oil companies against enforcement of the new oil regulations. On Feb. 9, Government officials in Mexico City severely criticized the refusal of American oil operators to confer with former President Obregón and former Secretary of the Treasury Alberto J. Pani in San Francisco early in February, after the two Mexican spokesmen had been sent to California at the suggestion of the operators themselves to discuss the oil con-

troversty between the Mexican Government and the American operators.

President Calles on Jan. 22 signed a decree permitting a former President of Mexico to stand for the office after the lapse of one Presidential term.

An official order to United States Collectors of Customs instructing them "not to permit aircraft of any description, whether of a military or non-military type, to proceed to Mexico from the United States except upon issuance of an export license by the Secretary of State," was made public on Jan. 28.

The Mexican Treasury on Jan. 29 placed at the disposal of the International Committee of Bankers on Mexico in New York the "funds necessary to complete the payment of the second six months' interest on the bonds of the Republic of Mexico in full."

Nicaragua

SEÑOR Alejandro Cesar, newly appointed Minister of the Díaz Government to the United States, presented his credentials to President Coolidge on Jan. 20. In his remarks to Señor Cesar, President Coolidge expressed "great satisfaction" because of "the establishment of a constitutional Government" in Nicaragua.

Charges of unjustifiable interference by American marines with the Liberal revolutionary forces were renewed in Washington on Feb. 5 by Dr. T. S. Vaca, confidential agent of Juan B. Sacasa, head of the rival "Liberal" Government in Nicaragua. Dr. Vaca cited destruction by the marines of ammunition destined for the Liberal army, and on behalf of the Sacasa "Government," demanded reparation. The American Government officials were reported to have declined to take official notice of the charges.

The capture by Liberal forces of the City of Chinandega was reported on Feb. 6. The city, which has a population of 10,000 and which was once the temporary capital of the three united republics of Nicaragua, Honduras and Salvador, was declared to have been set in flames. On Feb. 8 the Conservatives were reported to be contesting with the Liberals the possession of the city, which they had succeeded

in re-entering, and bitter fighting was in progress. The hostilities lasted for several days, after which the Conservatives were reported to be in control of the town. The Liberals were fleeing toward the Honduras frontier on Feb. 10. The Conservative losses were estimated at 130 killed and 200 wounded; the Liberal losses at 200 killed and 300 wounded. Conditions in the city were reported alarming on Feb. 10 and an epidemic was feared. President Díaz declared that the Chinandega disaster was the worst in the history of Nicaragua.

A statement by President Díaz on Feb. 9 that he was ready to withdraw as President in favor of some one else, if that seemed best to the United States, was reported to have been received with satisfaction by the Washington Government as a means of reaching a solution of the revolutionary situation in Nicaragua. The willingness of Sacasa to withdraw on condition that Díaz did likewise had already been announced.

The statement of President Díaz, offering withdrawal, was followed the very next day (Feb. 10) by a similar statement by the Liberal leader transmitted by Dr. Vaca.

It was announced by an official spokesman for Guatemala at this same date that that country had withdrawn its diplomatic agent from Nicaragua only because its offer of mediation between the rival Nicaraguan leaders had failed. The statement declared that Guatemala would pursue a policy of strict neutrality toward Nicaragua. The Department of State at Washington on Feb. 7 issued an official statement declaring that an alleged interview with Assistant Secretary of State Robert E. Olds published in the press of Costa Rica and other Central American States, purporting to discuss the offer of mediation made by Costa Rica and refused by President Díaz, had never occurred, and that Mr. Olds had made no statement whatever regarding this matter.

Panama

SERIOUS opposition developed in Panama during January to the ratification of the new treaty, signed on July 28, 1926, between that country and the United States.

Señor Harmodio Arias, a member of the Panama National Assembly, charged on Jan. 14 that the treaty "places serious burdens on this small country * * * without benefiting the United States." A Panaman paper on Jan. 17 printed the text of an anonymous letter, received by members of the National Assembly, threatening death to those who approved the treaty. Groups hostile to the treaty declared Jan. 21 and Jan. 22 as anti-treaty tag days. The tags distributed read: "The nation will force rejection of the treaty for a free Panama." Partly because of an unfavorable reaction among the Panaman people, and also partly because the United States Senate had not considered the treaty, the Panaman National Assembly on Jan. 26 virtually rejected the treaty by passing a resolution suspending further consideration of the document and requesting President Chiari to reopen negotiations looking to a solution "which would fully satisfy the nation's aspirations." The Department of State announced on Jan. 27 that proposed changes in the treaty with Panama were under discussion, but insisted that the revisions under consideration were of a minor charac-

ter and did not affect the substance of the treaty.

President Chiari on Jan. 28 stated that he had always considered that the treaty did not meet with the "hopes, interests or needs of the country," but that "after negotiations lasting more than two years we signed the compact as the best obtainable, despite its lamentable inconveniences for us Panamans." President Chiari's attitude toward a renewal of treaty negotiations was revealed in the following statement: "If the opportunity is available and if the United States State Department's attitude is propitious for new parleys which might result in benefiting our interests, we will earnestly make all possible efforts to comply with the Assembly's resolution for our satisfaction as a Government and as Panamans."

Reports that President Chiari would resign in order to become a candidate for re-election were proved baseless on Feb. 5, when the constitutional time limit for his resignation expired, and the leaders of the Liberal Party, consulted by the President, decided against his resignation at this time, particularly because of the pending treaty with the United States. C. W. H.

South America

SOUTH AMERICAN interest in the United States has been stimulated during the past month by the accomplishments of the "Good-will Fliers." On their 20,000-mile flight around South America these United States aviators reached Chile before the middle of February. Everywhere they were greeted enthusiastically.

Dr. Julius Klein, Director of the Bureau of Foreign and Domestic Commerce, speaking at the anniversary of President McKinley's birth, pointed out the prophecies of the martyred President with reference to our Latin-American trade. This trade amounted to \$304,000,000 at the beginning of the present century; it now approximates \$2,000,000,000. While it centres largely in the Caribbean area, the volume is increasing in Colombia, Vene-

zuela, Peru, Ecuador and Chile and the east coast of South America.

No small part of the huge commercial exchanges between the Americas is due to our investments in Latin America, which now total more than \$4,000,000,000, according to a report of the Department of Commerce on Jan. 15, 1927. This represents the ownership of public securities, such as national, provincial and municipal bonds, and participation in private enterprises such as mines, industrial plants, public utilities, land companies and trading establishments.

Argentina

THE year 1926, according to a recent official report, was unfavorable for Argentine agriculture, commerce and industry. This was due chiefly to the prac-

tical failure of the 1925-26 wheat crop, the low world-market price of all export commodities and the highly disorganized cattle market in which prices are at the lowest level reached in many years. The excellent crop prospects forecast early in 1926 did not materialize. Although the volume of exports from Argentina increased approximately 15 per cent., an abnormally large number of commercial failures occurred during the year. Congress adjourned for the Christmas recess without having definitely approved the 1927 budget. Debate on the bill during January of the present year indicated its passage with even larger appropriations than those proposed by President de Alvear. The budget for 1927 calls for the expenditure of 650,000,000 paper pesos (one paper peso equals \$0.41). The President has already been authorized to expend 20,000,000 paper pesos for extension of the State Railways during the next three years.

The second official crop estimate of the Argentine Government shows the following figures:

	Metric Tons.
Wheat	6,065,000
Linseed	1,750,000
Oats	1,041,000
Barley	421,000

High returns from initial threshing operations have strengthened the wheat estimate which, at the opening of the new year, was expected to total 222,338,000 bushels, as compared to 191,140,000 of the previous season.

One of the outstanding developments of recent months in Argentina has been the passing of the Socialist Party as a political force. This has come about more through internal dissension in the party organization than through any lessening in the enthusiasm for party principles on the part of the rank and file. For some years—ever since secrecy of the ballot became an accomplished fact—the Socialists have been paramount in Buenos Aires; their representation in the national legislature has been relatively limited because the party made little headway in the rural districts.

In recent municipal elections, a series of dissensions having rent the organization,

the Socialists lost ground to the Irigoyenist radicals. The gains of the latter political group are interesting to observe as presaging the return of Señor Hipolito Irigoyen to the presidential chair in 1928.

Brazil

PRESIDENT Luis by executive decree continued the state of siege in the States of Rio Grande do Sul, Santa Catarina, Matto Grosso and Goyas during January. This action was due to the continuation of revolutionary movements in those areas. A Government communiqué of Feb. 8 gave an account of two engagements in the State of Matto Grosso (Western Brazil) toward the end of January between Federal troops and revolutionists; in these battles thirty-eight of the latter were killed and their forces driven to the unsettled portion of the State.

The new currency stabilization law, passed by Congress the week of Dec. 18 and promulgated by the President the following week, is already producing definite effects. The application of this law is to be governed by an executive decree which will largely determine its exact effect on the country. Already it is clear that industry is stimulated by it. The milreis has fallen below the value established for it by the rigorous deflation policy of the previous Administration. This lowering of the exchange value of the milreis has had the expected result of raising the domestic prices of coffee and certain other Brazilian products so that manufacturing, especially in textile lines, has taken a new impetus. The point at which the milreis will be stabilized is not yet clear; there is, however, general agreement that exchange stability is the first essential for monetary reform and economic progress.

Chile

ON the ground that Bolshevism has been allowed too great freedom and has already assumed dangerous proportions in Chile, the Minister of War, General Carlos Ibañez, took the reins of Government in his own hands on Feb. 9. Backed by the army, he began to organize a new Cabinet which, under his leadership, was to settle this problem of radicalism. In a state-

ment to the press General Ibañez said: "Moscow's influence in Chile must be broken, and the way to do this is to reorganize the Government by the injection of new blood."

This statement was followed by the resignation of the Cabinet and the designation by President Figueroa-Larrain of General Ibañez to form a new Ministry. Reports became current that President Figueroa-Larrain would resign or take a leave of absence as soon as the new Cabinet took up its duties. President Alessandri, predecessor of the present Chief Executive, was in Europe on a forced leave of absence during the latter half of 1924. He resumed his executive duties in February, 1925, but resigned eight months later. Should President Figueroa-Larrain follow his example in this respect, General Ibañez, as head of the Cabinet, would automatically assume full duties of President, since the Vice Presidential office does not exist in Chile.

Venezuela

OIL production is fast becoming a recognized factor in the economic life of Venezuela. Prospectors first appeared in the country in 1918. The following year

some 45,000 metric tons of petroleum were produced. Total production in 1925 amounted to 2,874,486 metric tons, while the rate during the last months of 1926 would indicate a potential output of nearly 5,000,000 tons. Maracaibo, the centre of this oil development, is rivaling Tampico, which grew, in a few years, from a little river village into one of the most important petroleum terminals of the world. The rapid development of Venezuelan oil has brought natives and foreigners to Maracaibo, with the result that the population has increased from 70,000 to over 100,000 since 1918. As house construction has not kept pace with this growth in population, the city presents an overcrowded aspect, and this condition is said to be steadily becoming worse.

The effects on the agricultural industry of the country are more serious. Because of the demand for labor in the oil fields and the high wages paid, workers are deserting the farms in the vicinity of Maracaibo and the meat, vegetables and other foodstuffs for the growing city are increasingly imported.

The cost of living has risen proportionately. High prices have invited importation and the harbor of Maracaibo is constantly congested.

H. T. C.

The British Empire

THE long postponed inquest by trade union executives into the conduct and calling off of the general strike by the General Council of the Trades Union Congress and the effect of its actions on the dispute in the mining industry was held in London on Jan. 20. The General Council's case, embodied in two reports, showed that there had been growing divergence between the Council and the miners' executive that came to an open breach over Sir Herbert Samuel's memorandum on concessions to the coal miners, which was considered sufficiently satisfactory by the General Council to warrant calling off the general strike, but which was flatly rejected by the miners' representatives. The root of the accusation was that

the miners had handed over the conduct of negotiations to the General Council and then had disobeyed its orders. Moreover, it was charged that in spite of the gravity of the situation they had committed themselves to the watchword, "Not an hour on the day, not a penny off the pay," and had pursued a policy of "mere negation."

The miners replied that the General Council, in its failure to prepare for the strike and to maintain the resistance to the reduction of the miners' standards, had "forced the miners to fight alone." The Samuel memorandum was contemptuously characterized as "bait" and it was intimated that "the fight is not over." However, a resolution approving the conduct of the General Council was adopted on

Jan. 21 by a majority of 1,745,000 and the censure of the miners endorsed. On the same day an important judgment was delivered by the Chancery Court in London refusing to grant an injunction restraining a union from using its funds for political purposes.

It was reported on Feb. 4 that the Government would present a trade union act to the Spring session of Parliament making general strikes illegal, and providing for compulsory incorporation of trade unions, separation of benefit from strike funds and an annual audit of union finances.

Industrial peace seemed to be more and more earnestly desired, judging from statements both by leading employers and labor representatives. On Jan. 27 was held the first of a series of conferences to be organized in the chief industrial centres of the country, and arranged by the Labor Co-Partnership Association with the object of "securing frank discussion of means to give practical expression to the desire for peace in industry." On the other hand, the officials of the International Federation of Trade Unions, which held a congress at Amsterdam in January, at which a large British delegation was present, expressed their disapproval of British moves for harmony between capital and labor on the ground that they were "a trap for the workers and an attempt to lower labor standards."

Recovery of the nation from the effects of the industrial upheaval proceeded during January at a slow but steady rate, progress being reported particularly in the output of coal and in the cotton and steel trades. How seriously the country's economic life was affected, however, was strikingly shown by the fact that for the first time for years the real balance of trade was against Great Britain, the deficit amounting to £66,000,000. The Board of Trade added the statement, "that in view of the seven months' coal strike, it is satisfactory to find things no worse."

Parliament reopened on Feb. 8 with a thorough search of the buildings before the event because of information of threatened Communist demonstrations.

The proposals of the Bishops of the Church of England for revision of the Book of Common Prayer, which has not

been substantially altered since 1662, were presented on Feb. 7, sixty years having been spent in preparing them.

Canada

WILLIAM PHILLIPS, former Ambassador to Belgium, was on Feb. 3 appointed the first Minister from the United States to Canada. This action reciprocated a similar move by Canada, which appointed Vincent A. Massey Minister to the United States immediately after the Imperial Conference. It, of course, involved a change of previous policy in Washington, but it was felt that the volume of Canadian matters requiring diplomatic attention, such as the water level issue involving the St. Lawrence River and Great Lakes developments, for example, made imperative a resident Minister.

Completed reports of economic conditions in Canada during the year 1926 indicated "a volume of industrial production 20 per cent. greater than in 1925; increased domestic and foreign trade; the highest level of employment for over six years past; continued improvement in railway operations; plentiful funds for banking and investment operations, and a formal return to the gold standard." Canada now leads the world in newsprint production, exceeding that of the United States by 11 per cent. The fact that trade with the United Kingdom declined on account of the coal strike was counter-balanced by Canada's extensive commercial relations with the United States, one of the chief items of export being \$20,000,000 worth of alcoholic liquor.

A report was submitted at the beginning of the year by the Royal Commission on the Claims of the Maritime Provinces of Canada setting forth the extent to which these Provinces have suffered as a result of entering the Confederation with the rest of Canada, concluding, however, that other factors, such as the rapid development and fiscal policy of the United States, have entered in. Their chief complaint is that the main efforts of the Dominion Government have been directed to developing the West at the expense of the Maritime Provinces, and they concluded with a request for re-

moval of the disadvantages under which they are suffering.

Australia

THE appointment by the Commonwealth Government of an Australian Industrial Mission, consisting of four representative employers, four representative employes, and two women observers, to visit the United States and study economic and industrial conditions, caused much dissension in labor circles, because the Government refused to accept the delegates nominated by the Trades and Labor Council. In fact, the extremist element in the trade and labor councils of all the Australian States repudiated the Government's choice and advised a strike to prevent their leaving the country. However, the mission sailed for the United States on Feb. 10.

The annual convention of the Australian Workers' Union was held during January and passed a resolution threatening a general strike if Great Britain made any attempt to involve Australia in intervention in China.

Australian imports for 1925-26 totaled £151,558,475 and exports £148,572,270, wool being the chief commodity exported, followed by wheat and butter. The population of the country is estimated at 6,043,924. A new minimum wage has been fixed by the Commonwealth Arbitration Court, providing that no adult can be employed, even in unskilled labor, at a rate less than that stipulated. The wage varies from \$22.33 for New South Wales to \$19.80 for Western Australia.

India

THE new Council House at Delhi, containing the Chamber of Princes, the Council of State and the Legislative Assembly, was opened on Jan. 18 by Lord Irwin, the Viceroy. Both the King's message and the Viceroy's speech were characterized by expressions of British sympathy with Indian Constitutional aspirations.

The inauguration of the Cairo-Karachi air mail service took place on Jan. 5 and was commented on in the London press as a "reopening of the back door of India."

In local political affairs the Bengal Swarajist Party suffered defeat in the election of the Rajah of Santosh as President of the Legislative Council and in their failure to prevent the formation of a Ministry. Sir Abdur Rahim (Moslem) was first appointed to head the Ministry, but, owing to his failure to find a Hindu colleague to work with him, he resigned, and Mr. Chakravarty (Hindu) and Mr. Ghuznavi (Moslem) were appointed. A stable Ministry was also formed in Madras against Swarajist opposition.

Tanganyika

IN his opening address to the first session of the newly constituted Legislative Council of Tanganyika Territory, Sir Donald Cameron, the Governor, made an emphatic declaration on the subject of the permanency of the British mandate. After briefly reviewing the circumstances in which the mandate was conferred, he said:

There is no provision in the mandate for its termination or transfer. It constitutes merely an obligation and not a form of temporary tenure under the League of Nations. This obligation does not make British control temporary, any more than other treaty obligations (such as those under the Berlin and Brussels acts or the convention revising those acts) render temporary British control over Kenya or Uganda, which are no more and no less likely to remain under that control than is the Tanganyika Territory.

I make this statement with the full authority of his Majesty's Government. And let this not escape the attention of all who may hear it or read it. There are others in the territory to whom I speak besides the non-natives; there is the huge body of chiefs and native inhabitants of the territory. To them I have repeatedly stated in the many barazas I have held during the last eighteen months that Tanganyika is a part of the British Empire and will remain so; to them the words I am now using will be repeated. To them these words are a pledge.

Tanganyika Territory (formerly German East Africa) has a total area of about 365,000 square miles and a population of over 4,000,000, the capital being Dar-es-Salaam.

R. H.

France and Belgium

THE year 1926, according to statistics recently published, was one of the most prosperous industrially since the war. During the year the people of France paid in State taxes over 38,000,000-000 francs, an increase of 10,000,000,000 over the amount paid for the year 1925.

On Jan. 8, Léon Daudet's royalist newspaper *L'Action Française* was put on the papal index and consequently forbidden all good Catholics. This action was said to be a protest of the Vatican against the violent nationalist views of the journal, and especially its hostility toward the policy of international conciliation which Foreign Minister Briand has supported.

It was announced on Jan. 9 that during the preceding six weeks there had been a considerable military concentration in the region of Nice on the Italian frontier. Italian estimates placed the number of troops at from 150,000 to 250,000.

The Boulevard Haussmann was formally opened by the President of the Republic on Jan. 15. This was one of the main boulevards planned during the Second Empire by Baron Haussmann. The new thoroughfare is about three miles in length and runs in very nearly a direct line from the Place de la République to the Place de l'Etoile.

Another Swiss loan—130,000,000 Swiss francs (\$26,000,000)—was announced on Jan. 19.

The naturalization of all foreigners was temporarily suspended on Jan. 20. The action was taken in response to the protest of labor leaders, who pointed out the injustice of facilitating the entrance of foreigners into France at a time when "tens of thousands of Frenchmen" were out of employment.

A committee of Deputies from Alsace-Lorraine on Feb. 1 presented to Premier Poincaré a protest against the Government policy of attempting to substitute French for German as the official language. The committee pointed out that the attempt was causing needless confusion, especially in the courts, in which neither the litigants nor the Judges could ordinarily speak French. The committee proposed that both

languages be used, with a bi-lingual publication of all notices and documents.

In an address before an organization of French war veterans on Feb. 6, Foreign Minister Briand defended his peace policy and upheld the League of Nations as an instrument through which international settlements should be reached in future. He spoke in part as follows:

France, which has been able to stop the most formidable assault, does not become less potent if, without compromising any of her force and inspired by love of country and humanity, she turns to the world and cries: "You shall have peace!" When one thinks of the number of dead, when one sees an army of mutilated, when one thinks of the widows and mothers who contemplate their children with anguish over the thought of butcheries of the future, I say it is not right to attack a public man who tries to avoid a new and terrible disaster. * * * France, if necessary, can always wage war. France always will be what she has been. But she does not lose strength in accepting juridic solutions as a guarantee of peace superior to that of a blow of the fist.

Premier Poincaré, opening the National Economic Council on Feb. 7, reviewed the Council's history since its organization by former Premier Herriot in 1925. This body is composed of representatives of industrial and agricultural groups and the liberal professions. The Premier made it clear that the Government intended to be guided by the industrial and agricultural elements in the Council in solving numerous problems now demanding legislation. Among the subjects presented for discussion was unemployment, with the measures to be taken to reduce the number of workless to a minimum.

The publication of the French-Rumanian treaty, concluded at Paris on Nov. 10, 1926, guaranteeing the status quo, resulted in a protest from the Soviet Government (Jan. 21) as an unfriendly act, on the ground that France thereby guaranteed to Rumania the possession of Bessarabia, which was the subject of negotiation between Russia and Rumania. Foreign Minister Briand denied that the treaty

could rightly bear the interpretation put upon it by the Soviet Government.

It was announced on Feb. 10 that the French Superior War Council had completed plans for the construction of defenses on the German and Italian frontiers calling for the expenditure of 7,000,000,000 francs. M. Paul Painlevé, the War

Minister, accompanied by General Deney, Chief of the French Army Staff, was received by the Army Commission of the Senate on this day and explained to the members of the commission the details of this new defense project, which aims to surround France with the most formidable frontier defenses in Europe. C. B.

Germany and Austria

THE new Marx Cabinet, after a stormy session in the Reichstag on Feb. 5, won a vote of confidence, 235 voting to support the Government, 174 voting against it and 18 declining to cast ballots. The voting was preceded by bitter attacks of the Socialists upon the new Minister of the Interior, Walther von Keudell, who was charged with alleged treasonable acts against the Republic: (1) In the Kapp monarchist *putsch* of 1920; (2) in the second monarchist *putsch* of 1923, and (3) in harboring members of a reactionary militaristic organization on his farm. The Centrists voted for the Government only on the reservation that the Chancellor should investigate and report on the charges against von Keudell.

Chancellor Marx, in his report to the Reichstag on Feb. 11, completely exonerated Herr von Keudell of guilt for the alleged treasonable acts. The Chancellor represented the political acts referred to as "dutiful obedience to the orders of his superiors, carried out in a soldierly manner," and declared the rifle practice on von Keudell's farm by forbidden organizations "an innocent amusement." His expression of confidence in von Keudell's loyalty to the Republic was reinforced by a declaration by von Keudell himself, who assured the Reichstag that he considered it his duty to support the Constitution. The Catholic Centrists thereupon declared their acceptance of the Chancellor's findings, withdrew restrictions attached to their previous vote of confidence and announced themselves to be in complete harmony with the bourgeois bloc in the Government. On a Democratic lack of confidence motion, 161 voted against von Keudell and 217 for him; the

vote on a Socialist motion was virtually the same.

With the Centrists' full support, the Marx Government gained control of an actual Reichstag majority of about 20. Reichstag committees were busily engaged in framing bills for contemplated legislation.

According to a careful analysis recently made of the census of June 16, 1925, the population of the German Reich (exclusive of the Sarre region) is 62,348,782, distributed over 63,580 political communes.

In a speech before the Prussian Diet Dr. Hirtsiefer, Prussia's Minister of Public Welfare, stated that Germany, despite her loss of 2,000,000 men in the World War and reduction of her population by several millions through the terms of the Versailles Treaty, has today 1,700,000 more able-bodied men of working age than she had before the war. Moreover, the Reich's death rate—last year 12.2 to 1,000 inhabitants—is lower than it was in 1913. And, while the number of German births has diminished, this is evidently a passing phenomenon, a condition due to the fact that men of marriageable age, officially considered to be from 25 to 40, are less numerous because from this category came the bulk of the war dead.

Despite rumors of increasing troubles with minorities, President Loeb of the German Reichstag appeared at Lodz, one of the greatest textile cities of Poland, on Jan. 16 and addressed 800 of the 50,000 German workers belonging to the German Socialist Party. Although touching lightly upon the frontier situation, he stated that "no permanent change in the frontiers can ever occur unless agreed upon in a peaceful manner."

An appropriation of 2,400,000 marks, or \$600,000, for preservation of the Island of Heligoland was provided in the budget of the Ministry of Finance for the year 1927. Continual storms and tidal waves have further eroded large stretches of the shore and during the past year vast parts of the cliffs crumbled away. It became necessary to move the island's electric power house and water works further inland and to build a solid breakwater to protect the most exposed parts of the island against further incursions of the North Sea. This island in the North Sea, forty-five miles off the mouths of the Rivers Elbe and Weser, was Germany's principal naval outpost during the European war. Its strong fortifications were razed under the provisions of the Versailles Peace Treaty.

The Communists on Feb. 2 introduced an interpellation in the Prussian Diet asking if the Prussian State Government was prepared to exert all possible influence on the Federal Government to prevent the return of "Wilhelm Hohenzollern" to Germany from his retreat in Doorn, Holland. In the event that the Federal Ministry should show favor to such a return the interpellation asked that, in any case, measures be taken to prevent the former Kaiser from coming back to Prussian territory.

It was officially announced by Herr Reinhold, Minister of Finance, on Jan. 25, that the German Government would float an internal loan of 500,000,000 marks in 5 per cent. twenty-five-year bonds for the purpose of balancing the 1927 budget, as it was apparent that the Reich's income through taxes, duties and other sources of revenue would lack this amount in covering the estimated expenses, totaling more than 10,000,000,000 marks, which include increased Dawes plan reparations payments.

Germany's latest census of war cripples and dependents showed that 792,000 injured soldiers and 1,067,680 children were receiving pensions. The number of listed cripples increased by 16,000 during the past two years; this is explained by the fact that during the days of inflation many failed to register on account of the low value of money. Others, pronounced cured and able-bodied, returned for aid because of relapses.

The budget for 1927 revealed that 17.5 per cent. of all governmental expenditures, excluding reparations, would be paid out for pensions of one kind or another, a total of \$350,000,000 out of a budget of about \$2,000,000,000. The pension load equals 70 per cent. of all payments, including reparations, which Germany is making as a sequel to losing the war. More than 57,000 former civilian officials and 36,900 army and navy officers who served under the former Emperor and the Republic are drawing as much as 8,000 marks a year each. War casualties, supported in whole or in part, number 768,660, to which are added 370,981 war widows, 917,000 orphans, 256,162 parents of the war dead, 31,000 widows of Government officials and 8,700 orphans. Of the six former Chancellors drawing pensions, Prince Bernhardt von Bulow, who is wealthy, is listed as receiving 27,600 marks annually (about \$6,350); Dr. Georg Michaelis, who was Chancellor for three months, 27,000 marks; Dr. Joseph Wirth, 19,665 marks; Dr. William Cuno, Director General of the Hamburg-American Line, 18,285 marks; Dr. Hans Luther, 18,285 from the Reich and 4,830 marks from the States.

Austria

THE Austrian budget for 1927 is considerably higher than that for 1926, owing largely to the so-called Public Servants' Salary Reform legislation. After a prolonged and stubborn struggle the State employes obtained a salary increase of 12.5 per cent, and the guarantee of a minimum monthly salary of 162.5 schillings. The new budget figures show that 43.7 per cent. of all revenue goes for the salaries of active Government servants and for pensions to retired State employes. An estimated deficit of 135.5 million schillings, caused in large part by capital expenditures, will be met out of the sums still available for the international loan, of which about 100,000,000 schillings have been set apart for that purpose. It is hoped that the deficit will be smaller than now apparent.

The chief grievance which the population has against the budget is that the amounts allocated to productive developments are not large enough. In view of the huge requirements for the personnel, how-

ever, an extension of capital expenditure, though greatly desirable, appears to have been out of the question. It is fortunate, under these circumstances, that what the Federal Government cannot accomplish, in view of the limitation of the means at its disposal, is supplemented to some extent by the City Government of Vienna, whose financial position is extremely favorable and which has been able to set down 208,000,000 schillings for capital expenditure in 1927.

Important Austrian journals have started a campaign against excessive imports of "luxury foodstuffs," insisting that such purchases abroad are not in keeping with the impoverishment of the country. Roughly, the total surplus of imports is estimated at 1,200,000,000 schillings, as against 1,000,000,000 in 1925 and 1,500,000,000 in 1924.

Following the general example of other European countries, Austrian industrialists have initiated a strong movement in favor of industrial consolidation. Already the metal, paper, chemical, rubber and brewery industries have begun to amalgamate. The movement was given additional impetus when, on Jan. 14, the Boden-Kreditanstalt absorbed the Union Bank in the largest merger yet made in Vienna. This leaves only four important banks of those

which formerly dominated the financial and industrial life of the Austrian Empire.

Austrian industries have resumed a strong campaign against alleged overtaxation, which they declare is the cause of the shrinkage in exports.

Three workers and an eight-year-old boy were killed and a dozen people seriously injured in a clash between Austrian Socialists and anti-Socialists at Loibersbach, near the Hungarian frontier, on Jan. 30. It was rumored in several quarters that the trouble was merely the result of a general Hungarian plot to seize Burgenland, the easternmost province of Austria, which was taken from Hungary by the Treaty of Trianon. Vienna and nearly all the other Austrian cities were almost completely paralyzed for a fifteen-minute period as "a warning to reaction" on Feb. 2, the day of the burial of the victims. Those close to the situation were of the opinion that the Socialists welcomed these brief general strikes, not only as demonstrations but as drills, in order to test their organization and keep it prepared for greater emergencies. The tie-up of Feb. 2 left little doubt that they are well organized, particularly in Vienna and the larger towns, and have the nation's public services and the key industries especially under their thumbs.

H. J. C.

Italy

COLONEL RICCIOTTI GARIBALDI, the grandson of the Italian "Liberator," was found guilty on Jan. 22 of plotting on French territory against a foreign Government. He was arrested several months ago and, according to the French police, he confessed that he had accepted large sums of money from officials of the Italian Government for fomenting plots against Mussolini and then denouncing the plotters to the Italian police. At the trial he denied that he had been an agent of the Fascist police and persisted in the assertion that the confession had been wrung from him under duress. He was nevertheless convicted. The sentence of two months' imprisonment was remitted on account of the time already spent in prison

while awaiting trial, and on the payment of a fine he was released.

In regard to the German population of the South Tyrol, the Fascist authorities appear to have shown a growing spirit of conciliation. As an instance of such spirit the board of a German farmers' savings bank was allowed to elect to office a German farmer who had been deposed by a former Prefect. The meeting passed off peaceably and no protest was raised by the Fascist authorities.

The policy of the Italian Government in the Far East was recently set forth in a note of Premier Mussolini to London in which he supports the position of Sir Austen Chamberlain. He maintains the right of the Powers to intervene in China

to protect their interests and the lives and property of their subjects, and declares that actual armed intervention may be unavoidable. The Fascist press is enthusiastically supporting Mussolini and stressing the close relations of Italy and England.

A group of former Socialist Labor leaders recently issued a statement in which they speak with approval of much of the Fascist labor legislation and declare that it contains many of their own principles. "As long," says the document, "as the Liberal State continued to exist, on the one hand, and the workers, on the other, remained firm in their reluctance to recognize the Government, any such law was impossible. The Fascist revolution has cut the Gordian knot and we must take notice of the fact." They even offer their services to the Fascisti to form "an association for the cultural assistance of the working masses."

The Special Military Tribunal, which was established as one of the drastic measures taken after the last attempt on the life of Mussolini, for the purpose of trying all cases affecting the security of the State or of the Fascist régime, began on Feb. 1 with the trial of two young men accused of having publicly expressed approval of the attempts to murder the Premier. Both men were convicted and sentenced to nine months' imprisonment, a fine of 500 lire and a year under police surveillance.

The National Council of the Fascist Party has decreed that the Fascisti themselves must provide the money necessary for the activities of the party without levying on outside individuals or institutions. Moreover, the financial possibilities of the members, it is reported, will be looked into by the leaders in each province and each member will be expected to contribute according to his means.

Count Volpi, the Finance Minister, in announcing the final results of the new ictorial loan gives the following figures: Without counting contributions of Italians residing abroad, a total of 3,000,000 citizens subscribed over 3,000,000,000 lire, mainly in small amounts. He admits, however, that considerable propaganda was necessary to make people subscribe. According to another authority certain Fascist

banks which did not yield to the demand for subscriptions found themselves forced to place Fascists on their boards of directors. The Fascist Party regards the result of the loan as highly significant and exceeding all forecasts; in fact, as a "plebiscite of the whole Italian nation."

The number of Italy's official holidays has been limited to three: Youth's Day, March 23; the anniversary of the founding of the first Fascist Labor Day, April 21, and Victory Day, Oct. 28, the anniversary of the Fascist march on Rome.

The Cabinet Council on Feb. 9 approved the details of the tax on bachelors. The tax is divided into two parts. The first is a basic charge varying with the taxpayer's age which all bachelors, whatever their condition and station in life, will be required to pay. The other impost is a sliding scale tax based on the taxpayer's income and will be applied only to those already liable for income tax. Statistics show that the tax will be applicable to about 1,700,000 persons. It is expected to bring in about 100,000,000 lire yearly. The basic tax has been fixed as follows: Between the ages of 25 and 35, 25 lire yearly; between the ages of 35 and 50, 35 lire yearly; between the ages of 50 and 65, 25 lire yearly. The tax based on income has been fixed at one-quarter of the present complementary income tax. It will amount, therefore, to about a 5 per cent. increase in the total income tax now paid. Catholic priests, members of religious orders who have taken the vow of chastity, the war-mutilated, officers and non-commissioned officers in the army, and foreigners, even if residing in Italy, are exempt from the tax. Fathers having sons without independent incomes will be liable for their bachelor sons' taxes, which will be calculated by dividing the father's income by the number of his sons.

Francesco Cianca, former editor of the Liberal newspaper *Il Mondo*, after being condemned to five years' banishment to the Isle of Campedusa and after hiding with friends in Italy for two months, made his escape to France early in February. The offense for which he was condemned was technically described as lack of enthusiasm for Fascist rule. Cianca's paper had been critical toward Mussolini, had reflected the

views of such members of the Liberty Party as Orlando, Giolitti and Salandra, and had fought consistently for the freedom of the press. After the attempt to assassinate Mussolini at Bologna the paper was suppressed and Cianca's residence was raided and pillaged by a gang of young Fascisti, who destroyed the furniture and a collection of valuable pictures. Interviewed in Paris on Feb. 6, Cianca said:

I was condemned partly for having supported the idea of a constitutional country, but mainly because I was known to be an advocate of friendship between Italy and France. As a Liberal and a free man, I felt personally strongly opposed to the dictatorship of Fascism, just as much as to the dictatorship of the Bolsheviki in Russia.

But when I realized that there was no freedom of opinion to be allowed in the press I took every care to submit all that I wrote to the Fascist censor. That was not enough. My personal opinions were known, and when the Bologna affair occurred it was seized upon as a pretext for the suppression of my newspaper and for my arrest. Italy is no better than a prison, now that there is no more liberty. Anti-Fascism is the crime of lèse nation. An end must be put to the democratic fable that every man has a right to his own opinion.

France has now become the home of the editors of the *Corriere della Sera* and *Il Mondo*, the last independent papers Italy had. E. E.

Eastern Europe and the Balkans

Czechoslovakia

THE event of chief importance in Czechoslovakia during the month was the announcement on Jan. 15 of the decision of the Slovak Popular (Catholic) Party, led by Father Hlinka, to join the Government and accept two posts in M. Shvehla's coalition Cabinet. President Masaryk accordingly appointed M. Gázhik Minister for the Unification of Laws, and M. Tiso Minister of Health. This gives the Coalition Government the command of 164 votes in the Chamber of Deputies out of a total of 300.

Reports on foreign trade for 1926 showed a favorable balance of 2,500,000,-000 Czech crowns, double that of the previous year.

Greece

A COALITION CABINET, in which the principal political parties are represented, was formed after the retirement of Premier Kondylis on Dec. 2, its formation marking the end of the era of military dictatorship. The members of this Cabinet are as follows:

M. ZAIMIS, Premier.
M. KAFANDARIS, Finance.
General MAZARAKIS, War.
M. TSALDARIS, Interior.

M. MICHALAKOPOULOS, Foreign Affairs.
General METAXIS, Communications.
M. MERKOURIS, National Economy.

This Ministry, which commands almost the absolute confidence of Parliament and is backed by the whole country, faces several difficult problems, mostly of a financial nature. Chief among them is the disciplining of the army so as to preclude any further trouble through interference of militarists in the administration of the country. Drastic economies in military expenses are also needed, as 35 per cent. of the total budgetary expenditure has heretofore gone for this purpose. The financial deficit for the year 1925-26 amounted to 505,000,000 drachmas and the current year is expected to leave a deficit of 800,000,000. Moreover, payments on the external war debt must be provided for and a new refugee loan floated. The people are already taxed to the limit, so that the extra revenue must be achieved by other means.

The Chamber of Deputies, on Feb. 2, passed an amendment to the Constitution establishing a Senate of 120 members. Such a body has not existed since the Revolution of 1862.

General Pangalos, the former Dictator, was imprisoned on the Island of Crete on Jan. 26, to be held for trial.

Hungary

THE election by the nobles of Hungary of representatives for the new Upper Chamber of Parliament resulted in an overwhelming victory for the Government candidates. Count Julius Andrássy, leader of the Opposition, did not secure even the minimum amount of votes entitling him to election. This was taken as a definite indication that Hungarian nobles had abandoned their former Legitimist sympathies.

On Jan. 28, the newly elected House held its first Assembly since the overthrow of the monarchy in 1918, and on Jan. 29 the ceremonial opening of Parliament took place, with all the delegates dressed in medieval costumes and Regent Admiral Horthy presiding. He read a speech by Premier Bethlen in which was reasserted a statement the latter made in a speech on Jan. 24 before the party caucus, in which he announced openly for the first time that he favored Fiume as a sea outlet for Hungary rather than the Yugoslav port of Spalato. The speech also contained the statement that it was expected that the Interallied Military Control Commission would soon cease its activity in Hungary. The latter statement was confirmed, on Feb. 10, by the report that Count Csaky, War Minister, had introduced a bill substantially increasing Hungary's armament. Premier Bethlen, in an interview given to the press on Jan. 31, discussed the Central European situation and admitted that he did not expect it to remain in *statu quo*. He criticized the Little Entente as "an artificial arrangement." Regarding the question of the monarchy he stated that the Cabinet and Parliament would not raise the issue for five years, as public opinion seemed satisfied with the present provisional régime.

Poland

THE arrest of five members of the Sejm, despite their parliamentary immunity, on the charge that they were agents in a huge plot aiming at a Communist revolution and the establishment of an independent White Russia on Communist principles, was one of the chief events in Poland during January. It was alleged that the plot-

ters, acting under orders from Moscow which supplied the funds, were distributing large sums of money through the agency of certain White Russian cooperative banks; and plans to this effect were found in the possession of the Deputies. In Warsaw 120 arrests were made, an equal number in other parts of the country, and large stores of ammunition, compromising documents and sums of money were seized. This disclosure was of particular interest in view of the fact that it closely followed newspaper reports of the enthusiastic reception accorded to the Polish envoy, M. Patek, at Moscow, where he had been sent to discuss the Vilna situation and other matters.

Poland's attitude with regard to her neighbors, Germany, Lithuania and Russia, remained in a state of indecision, with growing tension over the Corridor, Danzig and the Königsberg forts, and the Vilna question still a sore point. On Jan. 21 it was reported that Poland and Lithuania were entering into tentative negotiations for some kind of *rapprochement*. The trade negotiations between Germany and Poland were reported on Feb. 10 "to be facing a stone wall," the specific reasons being that Poland had expelled four German railroad men from Upper Silesia in violation of last November's agreement. The threatened rupture of negotiations, however, failed to occur, in view of the decision of the Marx Cabinet on Feb. 11 to continue the trade parleys and to find some other means of compelling Poland to revoke the deportation orders referred to.

The budget came up for debate in the Sejm during the last part of January; it totaled 1,891,000,000 zloty, against an estimated income of 1,985,000,000 zloty, giving a surplus of 94,000,000. Poland's entire foreign debt is now only 300,000,000 zloty, three-quarters of which is owed to America.

Rumania

RUMORS continued to circulate during January regarding the serious condition of King Ferdinand's health and the probable reconciliation of Prince Carol and his wife and Carol's recall to Rumania. Matters were more or less brought to a head on Feb. 2, when the National

Peasants' Party, a body of seventy-eight Deputies headed by Professor Nicolas Jorga, Prince Carol's former tutor, issued a statement asking that a Crown Council be called for the purpose of revising the laws removing Prince Carol as Crown Prince and establishing a regency in the event of the King's death. The resolution was read in Parliament and met with overwhelming Government opposition, as the Peasants' Party is weak in Parliament, though having considerable popular strength, particularly in Transylvania, Bessarabia, and the Old Kingdom. Premier Averescu in replying stated that the Peasants' Party had assented when the laws were passed and that nothing had since occurred to justify their modification. He pointed out that the convocation of such a Council was, moreover, the exclusive prerogative of the King, and concluded by saying that he considered the question of succession definitely settled once for all since it had been consented to by a majority of the population and confirmed in the King's last message to Parliament. The Government ordered confiscation and suppression of all newspapers discussing the question, and there were reports of shifting of troops to guard against pro-Carol demonstrations.

Accounts of renewed persecution of the Jews were received during the month and on Jan. 13 a delegation, representing the American Jewish Congress, and headed by Rabbi Stephen Wise, made a formal protest to Secretary of State Kellogg, urging that the State Department take action, compatible with diplomatic dignity, to impress on the Rumanian Government the desires of the American people for just and humane treatment of all minority groups. Mr. Kellogg heard all the evidence, including the resolutions of a mass meeting held in New York City, and promised a careful consideration of the problem. The International Committee for Political Prisoners announced the formation of a Rumanian Political Prisoners Fund to aid "those elements in Rumania which suffer most from governmental opposition," basing its action on the results of the Henri Barbusse investigation.

A favorable trade balance of \$17,000,000 was announced for 1926, which, it was

believed, might lead to a move to stabilize the lei.

Yugoslavia

THE local elections held during the second week of January resulted in a majority for the Government (Serbian Radicals and Croatian Peasants) in twenty-eight of the thirty-three departments, in nineteen of the twenty-eight the Radicals alone winning an absolute majority. This was interpreted to mean that the public was supporting the coalition and it was expected that the new "centralization" policy, providing for the division of the State into thirty-three departments, cutting across historical and provincial boundaries and having each a Governor appointed by the Central Government and its own Parliament, could be proceeded with immediately.

On Jan. 28, however, for the sixth time in less than a year, Premier Uzunovitch's Cabinet was forced to resign. The cause of this particular upset was Croat dissatisfaction with the outcome of the elections, in which they alleged the Government had acted unfairly. They accordingly opposed the choice of two of the Radical Party candidates for the War Claims Commission, thus precipitating a Cabinet crisis. The King immediately empowered M. Uzunovitch to form a new Cabinet and as a result of his efforts one was sworn in on Feb. 1 with the posts formerly held by Croatian Peasant Party representatives divided between the Slovenians (Clerical Party) and the Serbian Radicals.

In Yugoslavian foreign policy, as a result of the Italo-Albanian developments (treated elsewhere in the magazine), two significant moves were made. First, the Extraordinary Defence of the Realm Act, passed in 1924 against the Communists, was repealed, this being regarded as a bid for closer relations with Soviet Russia. Then, on Feb. 4 it was announced that M. Zhivojin Balugitch, one of King Alexander's most intimate and trusted advisers, had been shifted from his post as Minister to Rome to a similar post in Berlin, and that Milan Rakitch, Minister to Sofia, was replacing him. This was taken to indicate a definite attempt to cultivate Germany's friendship.

F. A. O.

Russia

FIGURES for the first quarter of the present fiscal year, from Oct. 1 to Dec. 31, 1926, show that the foreign trade of the Soviet Union has made a marked advance. The value of exports in that period was 208,200,000 rubles; imports amounted to 131,800,000 rubles; the favorable balance of trade, therefore, was 76,400,000 rubles—notable in comparison with the unfavorable balance of \$29,600,000 rubles for the corresponding period of the previous year. Grain was the largest export; meat, poultry and other foodstuffs were second; and oil was third. Based on pre-war (1913) prices, according to the New York Trust Company, Russia's foreign trade has more than doubled since 1922. From the same source it was pointed out that trade with the United States had undergone special development, this country now ranking second only to England, with Germany third.

Oil production has increased so much in the Soviet Union during the past two years that it is said to have supplanted Mexico as, next to the United States, the largest oil producer among the nations of the world. Compared with the total production of 572,000,000 poods in 1913, the past year's production has been estimated as 642,000,000 poods. The export of oil is steadily increasing. Sales contracts, signed since October, 1926, have been made with the Standard Oil Company and the Vacuum Oil Company of the United States, with the French Ministry of Marine; with the Petrofina Company and Demaret Frères, Belgian and Italian companies; and negotiations have been conducted by the English Medway Company.

The Central Statistical Department published in *Pravda* on Jan. 29 estimates to show the condition of agriculture. The totals show an area in the Union 2.5 per cent. greater than last year. The increase of wheat sown is 15 per cent. in the Caucasus region and 22 per cent. in the Ukraine. These areas are the chief exporting districts. It is considered that the present condition of the crop is 22 per cent. better than the usual condition at this time of the year.

The Soviet organ *Pravda* on Feb. 6 published an article bitterly assailing the "unbridled thirst" for gain in retail stores. Official figures showed that retail cooperatives during the last year made a profit of 189 per cent. on their cash capital.

The Government on Jan. 11 began a census of all males in the Soviet Union, between the ages of 24 and 34, who are liable for military service. Although this was said to be purely a military measure, care was taken to determine whether those registered were Communists or non-Communists. A general census of the members of the Communist Party was in progress at the same time.

It was announced in Moscow on Jan. 2 that English had replaced French as the official foreign language of the Soviet Government. English is a compulsory study in some of the Russian universities and a requisite for employment in several of the departments of the Government. It was said also that English had supplanted German as the popular foreign tongue and that it was being taught in nearly all the schools.

Nations of Northern Europe

ON Jan. 16 the Latvian and Estonian representatives signed the draft of an agreement for a complete customs union. Formal signature of a treaty was expected soon. The proposed agreement provides for the introduction within a year of a common tariff and, within three years, for the co-ordination of all economic legislation by the two States, including customs, excise, monopolies, direct taxation, freights, labor laws, banking, trading contracts, and the like. The period of the proposed agreement is ten years.

Intimations came from Moscow on Jan. 16 that the Soviet Government would resume negotiations with Latvia for a pact of non-aggression.

New regulations of the Latvian Government have fixed at 12 per cent. the legal rate of interest for loans
A. B. D.

Other Nations of Europe

Spain

THE Spanish budget for 1927 is the largest ever proposed for that country, the revenue anticipated being about \$500,000,000 and the proposed expenditures about \$510,000,000, giving a deficit of \$10,000,000, the smallest for many years.

King Alfonso has signed a decree reorganizing the infantry and suppressing 76 reserve regiments. The army strength for 1927 is fixed at 184,636 of all ranks.

The Spanish public looked forward to the calling of the National Assembly on Feb. 1, the date fixed by the Premier some weeks before. However, no such step toward a return to "normalcy" was taken.

The trade returns for the first three quarters of 1926, published by the Council of National Economy, showed that the United States continued to hold first place in the foreign commerce of Spain, and that Great Britain had dropped below France.

The Bank of Spain has completed, with decided success, its greatest financial undertaking, funding Government obligations totaling more than 1,000,000,000 pesetas which fell due Feb. 5.

Portugal

A MANIFESTO of an unusual character appeared during the middle of January in the form of a declaration signed by the leaders of all of the parties, except the Liberal Republican Union and the Monarchists, and making representations, to the British Ambassador and to the French and American legations, that, should they ever come into power, they would repudiate all the work done or to be done by the present Government, especially any foreign loan that might be contracted. This action created a rather bad impression among the more thoughtful portion of the community, which stigmatized the leaders as traitors in thus endeavoring to obtain foreign interference in domestic affairs. The Government took a hand in the affair, and those of the signers who held commissions in the Army were

summoned before the War Department. Eight officers were deprived of their rank as a result and held at the disposition of the Minister of War, while a number of other leaders in the movement were deported to Sao Thome Island (Cape Verde group).

This drastic action on the part of the Government served only to intensify the opposition to the dictatorship of General Carmona, a movement which had been steadily gaining momentum for months. This reached a climax on Feb. 3, when the "regular quarterly" Portuguese revolution broke out in Oporto under the leadership of General Souza Diaz. General Carmona, President and Minister of War, immediately declared a state of siege and went with troops to suppress the revolt at Oporto, where vigorous exchange of fire took place resulting in considerable damage to the city and serious casualties to the combatants. Censorship of news was immediately clamped down, so that the exact situation could not be discerned during the first few days, but the revolt spread to other points, both north and south, and soon broke out in Lisbon. Heavy fighting began in the capital on the morning of Feb. 7 and by 6 in the afternoon the revolutionaries were reported to be in absolute control. However, the news was received on Feb. 10, that, after three days of fierce fighting in which the United States Legation was damaged, the rebels had surrendered both at Lisbon and Oporto and the twenty-third revolution since 1910 was crushed.

Holland

THE financial capacity of Holland may be estimated from the report that in 1926 new security issues were placed on the Dutch market to the extent of \$182,400,000 (486,000,000 guilders).

According to a report recently issued by the Dutch factory inspectors, reduction of the number of working hours in Holland has resulted in increased production ranging from 50 to 100 per cent. during the last few years in proportion to the number of workers employed, and this has been

done without demanding more intensive labor.

The workers' living conditions and their general health are greatly improved as a result, and the increase in the capacity of workers and the consequent diminution in time lost through illness has cut the country's wage bill as a whole.

Further details were received during January respecting the Communist disturbances in Western Sumatra which started with the murders of Lieutenant Simons and Inspector Leurs. It was reported that some 900 persons had been placed under arrest. Twelve brigades of police and troops had been sent from Java to West Sumatra and no further attacks on Europeans were anticipated.

Norway

A MOTION in the Storting, coming from the Labor Party, demanding complete disarmament, was rejected by a vote of 112 to 33. However, a certain amount of retrenchment was involved in the act of appropriation, wherein the Storting voted 40,000,000 kroner (about \$10,000,000) for the reorganization of the army and navy.

Helmer Halvorsen Bryn, Norwegian Minister to the United States since 1910, retired from that post in January and unofficial newspaper reports alleged that

his resignation was due to disagreement with his Government concerning the prosecution of Norwegian claims against the United States Shipping Board. These cases, involving \$7,000,000, are now being conducted by a special commissioner.

Sweden

IN his address from the throne, at the opening of the annual session of the Riksdag, the King expressed his gratification at the reception accorded to the Crown Prince and Crown Princess during their journey around the world, especially in the United States.

The future of the present Cabinet, headed by C. G. Ekman, seems rather doubtful, as the Popular and Liberal Parties backing up the Government are by far in the minority. In fact, a Swedish Ministry has never faced the Riksdag with so insufficient a party support. In the opening debate Per Albin Hansson, Minister of War in the Social Democratic Cabinet overthrown by the Popular Party last year, declared war on the Government. As the Socialist Party, of which Mr. Hansson is one of the outstanding leaders, is the largest in number, having 105 seats out of 230 in the Second Chamber, the Government will evidently have to depend entirely on the Conservatives. J. M. V.

Turkey and the Near East

THE Senate of the United States, sometimes designated "the graveyard of treaties," lived up to this appellation when, on Jan. 18, it refused to ratify the American-Lausanne Treaty by a vote of 50 to 34.

The original "treaty of amity and commerce," between the United States and Turkey, signed in 1830, provided that American citizens might trade with Turkey "according to the custom of the Franks," which, in modern terms, meant that the United States would enjoy the privileges of the most favored nation. Actually the rights of "Franks" in Turkey from long before 1830 until the year 1914 are con-

tained in the documents known as the "Capitulations," and may be summed up in the phrase "extraterritoriality." It was expressly stipulated that representatives of the United States Government who might be resident in Turkey should give no protection or aid to the *Rayahs*, or Christian subjects of the Sultan.

The treaty of 1830, together with extradition treaties negotiated about forty years later, sufficed for the basis of public relations between the two countries down through the Great War. During the tense interval which followed the battle of the Marne, the Turks took advantage of the pre-occupation of Europe and declared the

abolition of the capitulations, this action being met by universal protest. Shortly thereafter the Turks entered the Great War. Defeated at its close, they seemed destined to submit to the reimposition of the foreign rights of extraterritoriality.

The defeat of the Greeks by the Turks under Mustapha Kemal Pasha in 1923 led to the European enemies of the Turks negotiating the principal Treaty of Lausanne, in which the capitulations were abandoned. At the same time American negotiators drew up the treaty which was recently defeated. Inasmuch as a state of war had not existed between the United States and Turkey, it was not a treaty of peace, but a new "treaty of amity and commerce."

Three years and six months elapsed before this treaty came before the Senate of the United States. After two weeks' debate in executive session, the treaty, although receiving a majority of the votes of all Senators, failed on account of the constitutional rule which requires the support of two-thirds of the members present.

The opposition to the treaty had been bitterly active during the whole time between its drafting and its defeat, its chief supporters being the majority of the Democrats in the Senate, partly, at least, on partisan grounds and certain religious elements in the United States, who were influenced by active American and Greek propaganda and reports of atrocious conduct on the part of the Mohammedan Turks toward Christian Greeks and Armenians, and also animated by a blind animosity that can be traced back to the Crusades. Senator King of Utah stated that "the treaty was opposed upon three major grounds—namely, that it failed to provide for the fulfillment of the Wilson award to Armenia, guarantees for protection of Christians and non-Moslems in Turkey, and recognition by Turkey of the American nationality of former subjects of Turkey." In these objections the Senator from Utah was several years out of date, inasmuch as "the Wilson award to Armenia" formed part of the defunct treaty of Sèvres. His further statement that the Wilson Armenia is now a "No Man's Land" does not correspond with the facts, because this territory is inhabited by Turks and ruled by the Turkish Government, which cannot be dis-

lodged except with immense difficulty by a strong foreign army. Furthermore, it is beyond reason to expect that Turkey will restore the capitulations with the United States when she was able to prevent such a restoration in favor of the countries which fought her and defeated her during the Great War. As regards the recognition of the American citizenship of naturalized persons who were formerly subjects of Turkey, Turkey is within her rights in refusing to grant recognition.

Since the Summer of 1919 the United States has been represented in Turkey by Admiral Bristol, as High Commissioner, and by a group of consuls. On Feb. 8 the *modus vivendi* which permitted the continuance of trade with Turkey, according to the privileges of the most favored nation, expired. In view of the vituperations which the opposers of the treaty have uttered against Turkey, the remark of a distinguished editor, that the United States of America must now rely on the *magnanimity* of Turkey, is slightly comical.

Negotiations in Paris between the representatives of Turkey and foreign holders of Ottoman pre-war bonds were suspended at the beginning of February. The Turks continued to insist that they should pay in paper francs, while the French demanded five times as much by payment in gold francs. The French requested an initial payment of \$12,500,000 annually, which sum should be increased every five years. The Turks proposed to pay \$10,000,000, beginning eighteen months hence, not to be increased until after ten years. The bondholders, furthermore, objected strongly to the alleged pledging by Turkey of certain revenues, particularly the monopoly on tobacco and spirits, to another purpose than the Ottoman debt, to which these revenues were devoted by agreements dating back forty-five years.

A state of martial law continued to prevail in Kurdistan, the Government endeavoring to break up the feudal organization of the country. Many of the chiefs were slain or executed in the process of pacification.

A treaty was signed on Jan. 14 between Russia and Turkey regulating the use of the waters and rivers along the common boundary line in the Caucasus region.

Egypt

THE inauguration of Port Fuad took place on Dec. 21, King Fuad presiding at the ceremony.

During 1926 the Egyptian exports declined nearly \$90,000,000 and imports about \$30,000,000, while budgetary estimates for 1927 show an expected deficit of \$12,000,000. The Government continued during February to purchase cotton futures according to the Parliamentary decision of Dec. 15.

Germany, Austria and Hungary are endeavoring to place judges of their respective nationalities on the benches of the Mixed Court, but the Egyptian and other European Governments oppose the request.

Syria

IT was reported that on Jan. 4 the French defeated in the Druse mountains the forces of the rebel chief, Sultan Pasha al Atrash, capturing several prisoners, among whom was the leader himself. After trial by courts-martial in Damascus the prisoners were sentenced to death.

It was later reported from Haifa that M. Ponsot had arranged an interview with Lord Plumer to discuss Syrian and Pales-

tinian affairs and the plans for peace in Syria. The Syrians were continuing to demand a complete general amnesty and a treaty instead of a mandatory relationship. They desired a definite Syrian Government for the entire country, which would be permitted to enter the League of Nations under French supervision.

Palestine

THE ninth of December has been made a national holiday for Palestine, in celebration of the anniversary of Field Marshal Lord Allenby's victorious entrance into Jerusalem in 1917.

The electrification of Palestine, which involves "harnessing the Jordan," is proceeding satisfactorily. The first stage of the Rutenberg plan, requiring an investment of \$4,000,000, has now been financed adequately by the Palestine Electric Corporation.

Persia

THE Persian Cabinet resigned on Jan. 30 to escape the possibility of defeat on a vote of confidence. It had been severely criticized for concessions it made to the Anglo-Persian Oil Company without consulting Parliament.

A. H. L.

The Far East

ACTIVE fighting was renewed in the first weeks of February between the Northern and Southern armed forces of China. In Chekiang the Cantonese forces advancing toward Shanghai, having been thrown back from Hangchow 100 miles south of Shanghai, took a position at Chiuchow, while the forces of Sun Chuan-fang were stationed at Yenchow. Fighting began on Feb. 4 and three days later it was reported that the Southerners, because of a shortage of ammunition, had been driven out of Chiuchow to a position near the border of Kiangsi Province, about 200 miles south of Shanghai.

In Honan Province Wu Pei-fu's forces, shattered by the Southerners' drive last September, were being supplemented by

Manchurian troops under Chang Hsueh-liang, son of Chang Tso-lin, preparatory to a drive for the recovery of Hankow. The Southerners at the same time were rapidly bringing forces from Ichang and other upper Yangtse ports, through impressing Japanese, Italian, French and Swedish steamers. An American vessel was stopped on Feb. 1, but released after official representations. To assist the Southern army Feng Yu-hsiang began advancing from the Northwest to attack the Northern armies in the rear.

The serious illness of General Chiang Kai-shek caused concern among the Southerners. It was reported that Mrs. Sun Yat-sen, widow of the late chief of the Kuomintang, and a graduate of Wesleyan

College at Macon, Ga., had personally led one of the Southern armies. Dissension between the Right and Left wings of the Kuomintang was reported. On Jan. 20 the Right wing under Chiang Kai-shek was said to have won a victory in retaining Nanchang as the capital instead of returning to the more radical Wuhan cities.

Chang Tso-lin on Jan. 25 declared that the Southerners were tools of Moscow and that the Chinese people were not unfriendly with Great Britain. At the same time he deplored British willingness to negotiate with the Southerners, especially in view of the consistent friendliness to foreign interests shown by the Northerners. According to the *Canton News Bulletin* of Dec. 29, British and Japanese merchants had recently lent Chang Tso-lin £5,000,000 each to fight the Southern nationalists.

The security of existing loans has largely evaporated. Salt revenues, pledged to a number of them, showed a drop of \$9,000,000 last year and of the \$64,000,000 collected only \$8,868,000 went to the Peking Government, the rest being taken by local militarists.

The Peking Government ordered the customs administration to collect the Washington surtaxes after Feb. 1, since Sun Chuan-fang had been collecting them in Shanghai since Jan. 20 and the Cantonese since October. However, Sir Francis Aglen, the Inspector General of Maritime Customs and a British subject, refused on the ground that he was bound by the treaties and the Powers had not authorized the surtaxes. On Feb. 1 he was removed from office and the Chief Secretary of the Customs Board put in his place. Chang Tso-lin was said to have ordered the act to show his dissatisfaction with Great Britain for failing to give him more support.

There was another Bias Bay piracy on Jan. 3, the victim being the 6,000-ton Chinese-owned steamer Seang Bee. The pirates took \$15,000 and five Chinese for ransom.

Foreigners have been steadily leaving the region affected by civil war. The British concessions of Hankow and Kiukiang were taken by the Nationalists early in January after some mob violence but no casualties. On Jan. 9 three Nationalist Ministers, Eugene Chen, Sun Fo and Soong, formed a council to administer the former.

The American Minister on Jan. 13 advised Americans in the interior and the South to evacuate to coast cities. An exodus from Changsha, Chunking and Foochow began. Residents of Amoy, Swatow and Canton were concentrated in centres where they could be more easily protected. On Jan. 17 serious disturbances were reported from Foochow resulting in the plundering of several British, American and Spanish institutions. At the same time Yale-in-China at Changsha, Hunan Province, was closed because of communistic activity resulting in impossible demands for student government followed by a students' strike.

The Powers have indicated considerable concern over the safety of their nationals and on Jan. 24 began important military movements toward China. About 20,000 British troops from England, Malta and India, under the command of Major General John Duncan left for China on that date. The first contingent of 435 Punjabis arrived at Shanghai on Jan. 27 and the Suffolk Regiment arrived at Hongkong on Feb. 4. The object of the force was said by the British War Office to be solely the protection of nationals.

British Labor leaders, including Ramsay MacDonald, Lord Parmoor and J. H. Thomas vigorously criticized these military measures but did not support A. J. Cook and the British Communists who tried to prevent the departure of the troops by inducing the dock-workers' strike.

Japan, France, Spain, Italy and the United States have also sent naval units, in some cases accompanied by marines, to Chinese waters. In all, 33 American ships with 2,500 men were at this writing either in or approaching Far Eastern waters.

In spite of the lack of a single government for China, the Powers have defined their positions and attempted to negotiate. The British memorandum of Dec. 25 found no favor among the Chinese Nationalists and Eugene Chen, the Southern Foreign Minister, sent a note in regard to it to Secretary Kellogg on Jan. 1, declaring: "In spite of the elaborately worded sentiments of the British declaration, the real meaning of the proposal is that two-thirds of the new revenue would go to our political

enemies who, when their war chests are thus replenished, will be able to continue the civil war that bleeds the nation and delays the liberation of China." On Jan. 24 the Nationalists issued a manifesto stating their willingness to negotiate with the Powers separately.

Great Britain, having failed to get the Powers to cooperate in a policy toward China, accepted the Cantonese offer and on Jan. 27 negotiations were simultaneously begun at Peking and Hankow. According to Dominions Secretary Amery, the British offered "modifications of the present treaty position so far reaching, so generous, so considerate of Chinese susceptibilities, as will be seen when they are published, that it is impossible to conceive of their being rejected by any section of China." The offer was outlined by Foreign Secretary Chamberlain on Jan. 29. The text of the proposal, published on Feb. 1, was as follows:

1. His Majesty's Government is prepared to recognize the modern Chinese law courts as competent courts for cases brought by British plaintiffs and to waive the right of attendance of a British representative at the hearing of such cases.

2. His Majesty's Government is prepared to recognize the validity of a reasonable Chinese nationality law.

3. His Majesty's Government is prepared to apply, so far as practicable, in the British Courts in China modern Chinese civil and commercial codes, apart from procedure codes and those affecting personal status, and the duly enacted subordinate legislation as and when such laws and regulations are promulgated and enforced in the Chinese courts and on Chinese citizens throughout China.

4. His Majesty's Government is prepared to make British subjects in China liable to pay such regular and legal Chinese taxation, not involving discrimination against British subjects or British goods, as is in fact imposed on and paid by Chinese citizens throughout China.

5. His Majesty's Government is prepared, as soon as a revised Chinese penal code is promulgated and applied to Chinese courts, to consider its application to British courts in China.

6. His Majesty's Government is prepared to discuss and enter into arrangements, according to the particular circumstances at each port concerned, for modifi-

cation of the municipal administration of the British concessions so as to bring them into line with the administrations set up in former concessions, or for their amalgamation with former concessions now under Chinese control, or for the transfer of police control of the concession areas to the Chinese authorities.

7. His Majesty's Government is prepared to accept the principle that British missionaries should no longer claim the right to purchase land in the interior, that Chinese converts should look to Chinese law and not to the treaties for protection and that missionary, educational and medical institutions conform to Chinese law and the regulations applying to similar Chinese institutions.

On Feb. 2, in view of the British military movements, Eugene Chen suspended negotiations on the ground that his Government would not sign an agreement with Great Britain until the latter withdrew its threat of force. The Peking Government had formally protested against the troop movements on Jan. 31 as contrary to the Washington treaties and the League of Nations covenant and unnecessary, since the Chinese Government was prepared to protect British residents to the best of its ability.

The British Labor Party on Jan. 26 presented to Sir Austen Chamberlain a statement, which was also telegraphed to China. Eugene Chen replied on Feb. 1, expressing his desire to reach a settlement and his reliance upon the British Labor Party to assist in controlling "the adventurous elements in the British Government," and concluding that it was "to be feared that the disablement of British trade and commerce may have to continue until British Labor is entrusted by England with the task of arresting the British decline in Far Asia."

The British Cabinet at a meeting on Feb. 3 is said to have imputed Eugene Chen's suspension of negotiations to Russian influence and to have discussed a breach with the Soviet Government.

The United States Government, on Jan. 21, indicated its sense of the gravity of the Chinese situation by ordering Minister MacMurray, who had arrived at Seoul, Korea, on his way to Washington, to return to Peking. On Jan. 26 Secretary Kellogg

issued a statement on Chinese policy (printed elsewhere in this magazine). The suggestion made by Senator Borah that all Americans be advised to leave China was opposed by President Coolidge, who in a statement on Jan. 28 took the view that their presence might maintain commerce and lead to better conditions in China. The Porter resolution, calling for negotiation with China, was reported to the House of Representatives on Jan. 28.

Minister MacMurray on Feb. 4 delivered to Chang Tso-lin in Peking and transmitted to Chiang Kai-shek and Sun Chuanfang a proposal to eliminate the International Settlement of Shanghai from the zone of warlike activities and to negotiate regarding the future status of the settlement. Chang Tso-lin said he might favor the proposal if one similar to it were accepted for Hankow and Kiukiang, now under Southern control, while Eugene Chen said the danger to Shanghai was from Sun Chuan-fang and the British forces and they must bear the responsibility. In the House of Commons on Feb. 8 Prime Minister Baldwin stated that, if the British representatives at Shanghai reported the danger to British lives and property not to be pressing, the British defense force on its way to Shanghai would be concentrated at Hongkong instead. Next day, however, the movement of two British regiments from Hongkong to Shanghai was reported. The United States Navy Department announced on Feb. 10 that the regiment of marines, over 1,200 strong, en route from San Diego to Far Eastern waters on the transport Chamont would go direct to Shanghai.

French policy in regard to China was outlined by Foreign Minister Briand on Feb. 3 as a "policy of firm and prudent peace." France, he noted, was interested in the Southern Government because of her long adjacent frontier in Indo-China. Mussolini in a note to Great Britain on Feb. 4 endorsed the latter's policy, especially in regard to intervention to protect citizens.

Maxim Litvinov, Assistant Soviet Commissar of Foreign Affairs, issued a statement on Feb. 4 denying any Soviet initiative in the Chinese trouble and praising Britain's professions of a liberal Chinese

policy, but deploring her threat of military intervention and her effort to make Russia the "scapegoat."

Japan rejected the British proposal for collective action in China and opposed the use of force in spite of direct requests by the British Ambassador Tilley for cooperation. Nevertheless, Baron Shidehara indicated his intention to use force if necessary for the protection of citizens.

Japan

IN a general review of Japanese foreign policy before the Diet on Jan. 17 Foreign Minister Shidehara, after outlining a liberal policy toward China, expressed gratification at the friendly relations with the Soviet Union, discounted rumors of impending friction in Manchuria, congratulated the League of Nations on the entry of Germany, hoped for results in the disarmament conference and expressed appreciation of the growing understanding of Japan in America, though again he deplored the discriminatory treatment in regard to immigration. The unfavorable balance of trade due to the earthquake was commented on and the need of developing foreign trade stressed.

Japan's *rapprochement* with Russia has caused much comment. She has felt isolated since the Washington Conference and is not averse to the Soviet rallying cry of "Asia for the Asiatics." The Soviet Government has given her valuable oil concessions in Northern Sakhalin; timber concessions have just been granted, and a fishery concession is about to be negotiated. Furthermore, Japan has been wavering in her support of Chang Tso-lin owing to the Southern successes, and a Russo-Japanese settlement of railroad difficulties in Manchuria may not prove impossible.

The Japanese Diet was prorogued on Jan. 20 for three days by Premier Wakatsuki after a resolution of non-confidence was introduced by the Seiyukai and the Seiyuhonto in connection with the case of Bokuretsu, the Korean radical, who, with his wife, was sentenced to life imprisonment for plotting assassination of members of the imperial family. Fumiko, the wife, killed herself in jail.

The elaborate funeral of the Emperor Yoshohito took place on Feb. 8. Q. W.